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Iran ... 115 Rials Nigeria ... 10.00 Naira Yugoslavia ... 20 ND.

May Day Slogans 1990

A sampling of the official May Day slogans, approved by the Communist Party, and the unofficial slogans, created by demonstrators or appearing on their signs Tuesday.

Official Slogans

Democracy: Yes, Demagoguery: No!

Down with the Red fascist empire.

Down with the KGB.

Food is not a luxury.

Seventy-two years on the road to nowhere.

The only property owed to the Communist Party of the Soviet Union should be Lenin monuments and the ums of the fathers of stagnation.

A dictator equals a president without election.

Down with the cult of Lenin.

Gorbachev resign.

Politburo resign.

Gorbachev: Hands off Lithuania.

Socialism? No thanks.

Source: AP

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André Durand/Agence France-Presse

President Mikhail S. Gorbachev waving to the crowd during the May Day parade at Red Square on Tuesday; at right, a retired military officer accusing the Communist Party of being "the people's torturer."

May Day Crowd Jeers Gorbachev In Red Square

Unofficial Marchers Decry KGB and Support Lithuania

By Bill Keller
New York Times Service

MOSCOW — President Mikhail S. Gorbachev and the Kremlin leadership were jeered Tuesday by throngs of protesters who were allowed to march through Red Square at the end of the annual May Day parade.

The Soviet leaders watched in evident amazement from the top of Lenin's mausoleum as a shouting, fist-shaking column milled underneath, waving banners that condemned the Communist Party and the KGB and supported Lithuania's declaration of independence.

Chants of "Resign!" and "Shame!" were largely drowned out by the blare of parade music, but foreign visitors who watched from the reviewing stand said they could clearly hear the hoots and whistles that rose up from the cobblestoned square. Mr. Gorbachev led the others from the mausoleum after 25 minutes of protest.

It was the first time the May Day demonstration, traditionally an orchestrated show of worker solidarity, had been opened to unofficial organizations, and several of the officials seemed startled at the vehemence of the display.

Almost as striking as the unofficial protest was the tone of the official demonstration that opened the parade. Organized by Moscow trade unions, it became a show of blue-collar workers' concern about the threats to their security that might come with a market economy.

The banners and speeches warned against unemployment, private property and unregulated prices, and one placard called for the removal of Prime Minister Nikolai I. Ryzhkov for failing to lift the country out of its economic misery.

The government trade unions, trying to halt a sharp decline in their credibility, have recently staked out a populist position, opposing economic changes that might disrupt the security of Soviet workers.

Mr. Gorbachev's economic advisers say the threat of a worker uprising is the main reason they have pulled back from a "shock-therapy" transition to a market economy.

Several Soviet cities, including the capitals of the Baltic republics and the Caucasus republics of Georgia, Armenia and Azerbaijan, canceled their May Day festivities altogether as a holdover from a discredited past.

East and West Berliners mark May Day together in a calm and reflective mood. Page 2.

In Kiev, the Ukrainian capital, the usual worker brigades were joined by demonstrators protesting the government's handling of the 1986 Chernobyl nuclear accident.

Moscow Communist Party officials announced last week that the annual parade would be open to everyone as a sign of greater pluralism. Officials may also have feared a repetition of Revolution Day in November, when the official march was upstaged by a huge counter-protest at a soccer stadium.

In another gesture to the new realities of politics, Gavriil K. Popov, the insurgent chairman of the Moscow City Council and a free-market economist, joined government and Communist Party leaders atop the mausoleum.

The unofficial section of the parade was organized by the Moscow Voters Association, which was instrumental in the takeover of the city government by Mr. Popov and other candidates eager to hasten the demise of the Communist monopoly.

As the union-organized crowds of factory workers emptied Red Square they were abruptly replaced by a scene that has become familiar at rallies in the city but that must

See MOSCOW, Page 2

A 2d U.S. Hostage Arrives in West After His Release in Beirut

Compiled by Our Staff From Dispatches

WIESBADEN, West Germany — Frank Herbert Reed arrived Tuesday in West Germany to be reunited with his wife and son after 43 months as a hostage in Lebanon.

A U.S. military statement said an initial medical examination revealed no major problems. Mr. Reed, 57, had lost weight and muscle mass but felt well, it said.

The statement said that Mr. Reed asked for "a Heineken and a large steak cooked medium-rare" and that he "got what he asked for."

Mr. Reed, the second U.S. hostage to be freed in Lebanon in just over a week, gave a V-for-victory sign, blew a kiss and touched the ground with his hand on arrival at the Rhein-Main Air Base near Frankfurt from Damascus.

He flew by helicopter to a U.S. military hospital in Wiesbaden where he will have medical tests and be debriefed by State Department anti-terrorist experts anxious for any information he might have on six other Americans still captive in Lebanon.

He said at a news conference in Damascus after his release on Monday that he was blindfolded throughout his ordeal.

"I have been blindfolded for 24 hours a day, for three and a half years," Mr. Reed said. "In fact I feel rather odd right now that my blindfold is not here."

Officials gave no information on how his eyes may have been affected by the blindfolding.

His Syrian-born wife, Fahima, 39, and their 9-year-old son, Tarek, flew from Boston to join him on his first full day in freedom.

Mr. Reed was headmaster of the private Lebanese International School when he was kidnapped in West Beirut on Sept. 9, 1986.

He was released in Beirut by a group calling itself the Organization of Islamic Dawn. The group said he was carrying a message for the Washington administration.

Mr. Reed's release, coming so soon after the freeing of another American, Robert Polhill, has raised hopes that some or all of the 15 other Westerners still believed held in Lebanon by Muslim militants could be freed shortly. A Belgian family of four is also being held, but it has not been clearly established that these hostages are in Lebanon.

Mr. Reed was driven to Damascus, where he described a "lonely and boring" ordeal in which he was treated reasonably well but kept ignorant of his fate.

"We'd know nothing," Mr. Reed told a crowded news conference in Damascus. "We had no radio. We had no news. We had no Time, no Newsweek to go by. In fact, there were times when I did not even know what month it was."

The remarks implied that Mr.

See FREE, Page 2

Iran Threatens to Halt Aid in Freeing Hostages

Compiled by Our Staff From Dispatches

TEHRAN — Iran threatened Tuesday to halt further efforts aimed at freeing Western hostages in Lebanon unless the United States responded with a gesture toward Tehran.

The White House said it was making "small gestures" of appreciation but insisted anew that the remaining six American captives be freed.

President George Bush, while welcoming the release of another hostage and thanking Iran for its efforts, said no overall improvement in relations with Iran could occur until the remaining hostages were set free.

The Iranian warning came a day after the release in West Beirut of Frank Herbert Reed, 57, director of the Lebanon International School, who was kidnapped Sept. 9, 1986.

Iran maintained that his release was the fruit of extensive negotiations between Tehran and his kidnappers.

Mr. Reed was set free eight days after the release of another U.S. hostage, Robert Polhill. Immediately after Mr. Polhill's liberation, Iran appealed to kidnappers to free a second American to test the good intentions of the United States.

"The Islamic Republic used its maximum power and credibility for the release of the hostages," said an editorial Tuesday in the Tehran Times newspaper, considered a forum for the views of President Hashemi Rafsanjani.

"Naturally, without an appropriate response from the West, there is no chance for the continuation of Iranian mediation and requests," the English-language daily said.

As they did following the release

See HOSTAGES, Page 2

Arnc Dedert/The Associated Press

Frank Herbert Reed blowing a kiss to reporters upon his arrival Tuesday at Rhein-Main Air Base in West Germany.

Baker's Task: A Bridge From Bonn to Moscow

By Thomas L. Friedman
New York Times Service

WASHINGTON — Secretary of State James A. Baker 3d leaves for Europe on Wednesday for the first six-nation talks about the future of a united Germany, but analysts are already predicting that the discussions will quickly turn into a bargaining session between Bonn and Moscow, with Washington as the mediator.

The so-called Two-plus-Four negotiations, which were agreed upon in February at an East-West conference in Ottawa, call for West and East Germany to sit down with the four victorious World War II Allies — the United States, Soviet Union, Britain and France — to resolve all boundary and external security issues raised by German reunification.

Whatever the formal agenda, though, the talks, which open Saturday in Bonn, will in many ways be a "one-versus-one" negotiation between West Germany and the Soviet Union, said Herbert S. Okun, a former U.S. ambassador to East Germany.

"To begin with," said Mr. Okun, now ambassador-in-residence at Carnegie Corp., "the talks are already one-plus-four, since the conservative-led East German government is really just a junior partner of the ruling coalition in West Germany.

"As for the Western Allies, they are in agreement with Bonn about all the basic issues, and they have no real desire to prolong their stay in Berlin any longer than a united democratic Germany would want them. This is not the case with the Soviets. For us, this is a victory party. For the Soviets, this is a wake."

Therefore, what the talks will come down to, administration officials predict, is the Soviet Union asking the West Germans what economic and security incentives they will grant Moscow in return for the Soviets' expeditiously withdrawing their 380,000 troops from East Germany, allowing a united Germany to become a member of NATO and terminating their legal rights in Berlin along with the other Allies'.

The Kremlin is not expected to

See EUROPE, Page 2

Kiosk

Mohawk Feud Claims a Life

TORONTO (WP) — Gun battles between factions of Mohawk Indians on a reservation straddling the U.S.-Canadian border intensified Tuesday, amid appeals by tribal leaders that National Guard troops from New York State be sent in to end five weeks of fighting by 9,000 Mohawks over the status of six casinos that New York authorities have allowed to operate despite anti-gambling laws.

Matthew Pyke, 22, a Mohawk who lived on the U.S. side of the reserve but who was one of 300 Indians who fled to the Canadian side, died Tuesday after being shot twice, Canadian authorities said.

General News
130 settlers vacated a church complex in Jerusalem. Page 6.

Business/Finance
U.S. economic strength widens expectations of tighter credit policy. Page 13.

Special Report
As the two Germanys move toward unification, both sides have begun to take a hard look at the costs. Pages 19-25.

Crossword Page 10.

Dow Close	The Dollar In New York	
Up 12.16	DM	1.681
2,668.92	Pound	1.6445
	Yen	158.825
	FF	5.639

ANC and Government Cautious Before Talks

Compiled by Our Staff From Dispatches

CAPE TOWN — The African National Congress and the government cautioned Tuesday against high expectations for their historic talks, which are scheduled to begin Wednesday.

The three-day talks in Cape Town are designed only to find out if sufficient common ground exists to justify full-scale negotiations, officials said.

"The public should not be misled," an ANC spokesman, Patrick Lekota, said Tuesday. He described the discussions as "talks about talks."

The minister for constitutional affairs, Gerrit Viljoen, said Tuesday that the government realized the urgency of the talks because of widespread violence in South Africa.

"But we also believe it will take time to build trust and understanding as a foundation for finding mutually satisfactory solutions and for them to have a good chance of working," he said.

The pressures propelling the ruling National Party and the main black nationalist group into talking rather than warring are strong.

But Foreign Minister R.F. Botha warned Monday that the talks could fail despite the imperatives.

He said that the alternative to negotiations was a never-ending conflict between blacks and whites.

The talks will involve a cabinet team led by President Frederik W. de Klerk and a delegation of exiled and internal ANC officials, headed by the black nationalist leader, Nelson Mandela.

The ANC has been seeking talks with the government since it was formed in 1918. The organization was banned by the government in 1960, and Mr. de Klerk legalized it along with the Communist Party and other groups in February.

Mr. de Klerk also freed Mr. Mandela, who was serving a life sentence for sabotage and plotting to overthrow the government, and

See TALKS, Page 2

Supercomputer Makers, Beware of 'Killer Micros'

By John Markoff
New York Times Service

LIVERMORE, California — At a U.S. research laboratory here, a young government physicist is testing a theory that could make the costly supercomputers that American and Japanese firms are racing to create obsolete before they are completed.

His name is Eugene D. Brooks 3d, and his tool is the microprocessor that is the heart of the personal computer. In a $10 million, three-year project at the Lawrence Livermore National Laboratories, Mr. Brooks, 34, is trying to adapt software that is written for conventional supercomputers so that it can instead harness the power of hundreds or even thousands of inexpensive microprocessor chips.

While machines that use many microprocessors to attack a huge task in tandem already exist, Mr. Brooks believes that an adapted program would enable them to overtake the performance of even the fastest conventional supercomputers.

Not all computer designers think that Mr. Brooks is right. But there are indications that Japan may be recognizing his argument; the Japanese government is developing plans to redirect its research toward building computers with tens of thousands of processors. (Page 17)

Mr. Brooks contends that microprocessors will soon have the same impact in the supercomputer world that they have had in the minicomputer and mainframe markets. His rallying cry in scientific and industry forums: "Nobody will survive the attack of the killer micros."

If he is correct, then the world's leading designers of supercomputers — Seymour Cray, his former protégé Steven Chen, and the Japanese computer designers at Hitachi, NEC and Fujitsu — are all in deep trouble.

The complex machines they are designing for the mid-1990s, which will cost $20 million to $60 million, could be made obsolete before they are completed by computers built largely from off-the-shelf parts costing about the same or even less but offering computing speeds at least 10 to 100 times that of the conventional machines.

Mr. Brooks's support for the chips he calls killer micros goes back to his days a decade ago as a graduate student at the California Institute of Technology. His first love was quantum physics.

But the theoretical problems in which he specialized often took as long as a month to run on the school's Digital Equipment minicomputer. So Mr. Brooks and his colleagues decided that they would have to build a faster machine.

One of the young scientists who grew up as the power of the microprocessor was being borne out, Mr. Brooks joined in 1980 with a group of students and professors to persuade Intel Corp. to donate $80,000 worth of the company's standard microprocessors for desktop computers, and built a machine that became known as the Hypercube.

The computer, which lashed together 64 standard chips, ran in less than a day the problems that the minicomputer had taken hundreds of hours to complete.

The Hypercube design was widely copied in the computer industry, several commercially available computers, including supercomputers made by Intel, are patterned after it.

And Mr. Brooks, whose current classified research at the laboratory includes work on the Strategic Defense Initiative, found his career veering toward the computer field.

While machines that use many microprocessors to attack a huge task already exist, there are some technical barriers to programming them. In the project at Lawrence Livermore, east of San Francisco, Mr. Brooks will direct efforts to program the machines that use the innovative technique, which is known as parallel processing.

He will try to convert the specialized computer programs used in the conventional supercomputers at the laboratory to run on a parallel supercomputer that was made by Bolt Baranek & Newman and that relies on more than a dozen palm-sized Motorola 88000 microprocessors.

The microprocessor, which integrates all of the circuitry of a computer onto a single chip, has had an enormous impact because it offers high performance at low cost. Performance is high because no speed is lost moving signals between chips that perform separate functions.

And cost is low because microprocessors have become commodity parts, used in everything from dishwashers to rockets. By contrast, computers made with customized one-of-a-kind circuits, such as those used in conventional supercomputers, are drastically more expensive.

There are now dozens of start-up companies exploring new computer designs based on chaining microprocessors.

Companies like Sequent Computer, a maker of a parallel computer for commercial applications, and Thinking Machines Inc., which makes a computer with up to 64,000 microprocessors, have already established that these inno-

See COMPUTE, Page 17

East and West Berliners Cross Tumbled Barriers To Celebrate May Day

By David Binder
New York Times Service

BERLIN — Hundreds of thousands of people from East and West Berlin marked May Day together in a calm and reflective mood Tuesday, strolling through tumbled barriers that split the city only half a year ago.

German trade union members started celebrating May 1 here as their day 100 years ago, but not since 1946, when the division of Germany began, had the Berliners been able to get together for the occasion.

Many in the crowds wore boutonnieres or carried banners identifying themselves as West or East German union members. They stood together listening to speeches by union leaders from both sides in East Berlin and then in front of the Reichstag in West Berlin.

But there was none of the militance that had marked East Berlin's May Day parades for 40 years on what the Communists used to call Karl Marx Square. The speeches reflected worries in East and West about increased unemployment resulting from German unity.

There were also counterdemonstrations by thousands of leftists in both sections of Berlin, protesting in part against plans for German reunification.

■ Violence in Turkey

May Day violence was reported in Turkey, where celebrations of the holiday have been banned since 1980, news agencies reported.

Hundreds were arrested for taking part in illegal marches and at least two people were injured in clashes with security forces.

In Budapest, thousands turned out for a giant trade union picnic in the city's biggest park. The once all-powerful Communists, soundly defeated in elections last month, ran a single beer stand.

In Prague, the American activist and poet Allen Ginsberg received a raucous welcome 25 years after he was crowned "king" of a student May festival but then expelled by the Communists.

Mr. Ginsberg, the latest of several American activists of the 1960s to visit Czechoslovakia since Vaclav Havel, a playwright, became president in December, warned a nationally televised rock and folk festival against blind imitation of the West as the country returns to democracy.

"The way of American capitalism is not the only way," Mr. Ginsberg said. "No-hope communism, no-hope capitalism — everyone's lying on both sides. The third way is ecology, green and muscle power, and maybe meditation."

Romanians calling for the resignation of President Ion Iliescu because of his Communist past continued a 10-day protest in Bucharest.

In Warsaw, about 200 supporters of a leftist, anti-Communist group protested the Solidarity-led government's austerity policies.

Despite its association with decades of Communist rule, the May Day holiday has deep popular roots across much of Eastern Europe, where strong socialist traditions predate Stalinism and May Day is a traditional spring festival.

"Even Western countries such as France still celebrate May Day," a Romanian government spokesman said when asked why the holiday was not abandoned.

In France, trade unionists and the far-right National Front held rallies. The National Front leader, Jean-Marie Le Pen, led thousands of supporters on a two-kilometer march to the Place Jeanne d'Arc in central Paris.

In the Philippines, troops beat dozens of protesters near Clark Air Base, a U.S. installation, and clashed with demonstrators elsewhere as thousands rallied throughout the country to demand removal of U.S. bases.

They were the most extensive protests against the bases since President Corazon C. Aquino took office four years ago.

In Managua, marchers from rival Sandinista and anti-Sandinista labor groups crossed paths in a burst of street fighting and stone throwing. Anti-Sandinista unions had vowed to use May Day to protest a decision by President Violeta Barrios de Chamorro to retain a Sandinista leader, General Humberto Ortega Saavedra, as her top military commander. But two marches they organized drew only 2,000 people. *(AP, Reuters, NYT)*

Jacky Naegelen/Reuters

Jean-Marie Le Pen, leader of France's far-right National Front, waving at a May Day rally in Paris on Tuesday as gagged members of his party protest the Socialist government's anti-racism bill.

Bush to See Lithuanian Leader on Thursday

Reuters

WASHINGTON — President George Bush will meet the Lithuanian prime minister, Kazimiera Prunskiene, on Thursday to get a first-hand report on the situation in the rebel Baltic republic. But the meeting does not signal any change in U.S. policy, the White House said Tuesday.

"The president feels that it's important to get an authoritative read-out and description of events in Lithuania," said the White House spokesman, Marlin Fitzwater.

He said Mr. Bush was meeting "with her as an acknowledged and freely elected representative of the Lithuanian people."

"He is not meeting with her as prime minister of an independent Lithuania," Mr. Fitzwater said.

The meeting will be the first direct official contact between Washington and the Vilnius government, and it is scheduled to last 30 minutes.

Although the United States has never accepted the 1940 Soviet annexation of Lithuania, Mr. Bush has refused to recognize the breakaway Baltic state, which declared its independence on March 11.

In Moscow, meanwhile, the trade union newspaper Trud said Tuesday that a man who tried to set fire to Lenin's mausoleum in an apparent protest against the founder of the Soviet state was Lithuanian.

The man, who identified himself as Kasimir Almazov, 49, is being detained in a Moscow prison, Trud said.

Mr. Almazov poured gasoline on the mausoleum in Red Square on Saturday and ignited it. The flames were quickly put out.

HOSTAGES: *Iran Threatens to Halt Hostage Effort*

(Continued from Page 1)

of Mr. Polhill, U.S. officials expressed much warmer expressions of thanks toward Syria than toward Iran.

The White House spokesman, Marlin Fitzwater, on Tuesday offered a low-key assessment of White House hopes that more hostages would be freed.

"It's very hard to register any real long-term enthusiasm based on the two that have been released," he said.

He added that statements from Iran and Syria had suggested that additional captives would not be released without some gesture of goodwill.

Mr. Fitzwater said there could not be a substantial improvement in relations as long as any hostages were held, but he added, "There have been small gestures in the sense that we thanked Iran for their efforts."

"We used language that made clear that we're respectful of their independence and the integrity of their revolution," he said. "We've used language to indicate our interest in having better relations and being willing to talk."

Mr. Bush, asked if he was now prepared to make a goodwill gesture toward Iran, asserted that there could be no return to normal relations or any "vast improvement" until all Americans were freed.

But for the Tehran Times, the latest releases "showed that Lebanese Muslim groups are fully prepared for the resolution of the hostage crisis in the shortest time possible."

It said that "from the viewpoint of the Islamic Republic of Iran, which put in months of hard effort, something miraculous has happened."

Iran, as the Tehran Times recalled, wants the United States to use its influence to secure the release of Lebanese detained by Israel, notably Sheikh Abdel Karim Obeid, a Shiite cleric kidnapped by Israeli troops in southern Lebanon in July.

Committed to an ambitious economic recovery program, Mr. Rafsanjani is in addition hoping that Iranian initiatives on the hostage question will lead to the recovery of about $11 billion in Iranian assets frozen in the United States since 1979.

Mr. Polhill visited the White House on Monday to deliver a private message to Mr. Bush and also joined the president in a telephone call to Mr. Reed. According to Mr. Fitzwater, Mr. Polhill delivered the message during an hour meeting in which he recounted his personal ordeal.

"The president received that message in private and indicated he would not discuss the message publicly," Mr. Fitzwater said.

The president and other senior officials continued to insist that no secret deals had been made for the releases, but they said there would be "no objection" if Israel were to free some or all of the several hundred Shiite prisoners it holds, including Sheikh Obeid.

Speaking before the Polhill visit, Mr. Bush said he had "no knowledge" of any such action being contemplated or taken by Israel. The release by Israel of prisoners, he said, "is a matter for others to determine."

Meanwhile, U.S. and Iranian officials met Tuesday in The Hague for talks on financial disputes, officials of both countries said.

The U.S. State Department's legal adviser, Abraham D. Sofaer, flew to the Netherlands for the talks with his Iranian counterpart, Goodarz Eftekhar, over cases before the Iran-U.S. Claims Tribunal, a U.S. Embassy spokesman said.

The tribunal, set up in 1981 under an accord that freed 52 U.S. hostages in Tehran, seeks to settle financial claims made by both countries.

The U.S. Embassy spokesman said that the meeting was "the eighth in a series of such talks" since last summer and was part of long-standing efforts to settle legal matters. He said the session was was scheduled "four or five weeks ago." *(AFP, WP, Reuters, AP)*

FREE: *2d U.S. Hostage*

(Continued from Page 1)

Reed was held with other hostages, but he would not elaborate.

Mr. Reed said he hoped the other hostages would be freed soon, constantly using the plural to describe conditions of his captivity.

He said he had adequate food and fresh fruit and that "we were given fresh clothes fairly regularly, washed and so on.

"Our problem was the passage of endless time," he said. "We were given lots of books and allowed to watch TV but never the news."

He said, however, "I refused the books and TV. I didn't want to be entertained when I lost my freedom."

Meanwhile, the British foreign secretary, Douglas Hurd, said Tuesday that Britain was making every effort to free its hostages in Lebanon but would not change its policy of refusing to make deals with the kidnappers.

The Britons held in Lebanon are the Church of England envoy Terry Waite; John McCarthy, a journalist; and a retired pilot, Jack Mann. Britain also seeks the release of Brian Keenan, a schoolteacher from Belfast. *(AP, Reuters)*

MOSCOW: *Gorbachev Booed*

(Continued from Page 1)

have seemed shocking to the assembled hierarchy.

The columns included members of the Hare Krishna religious sect and anarcho-syndicalists, social democrats and anti-Stalinists, and at the front, a monk from the Russian Orthodox monastery at Zagorsk, who held up a nearly life-size representation of Christ on the cross and called out to Mr. Gorbachev, "Mikhail Sergeyevich, Christ is risen!"

"Down with the Red fascist empire!" said one placard that bobbed conspicuously before the marble mausoleum. "Down with the cult of Lenin!" read another, its letters painted to simulate bloodstains.

One group of marchers waved the red, green and yellow flag of the Lithuanian state and held up signs saying, "Gorbachev: Hands off Lithuania," and "The blockade of Lithuania is the shame of the president."

Television viewers watching the live coverage of the parade were given only fleeting glimpses of the protest placards, and the broadcast, which normally runs until the parade is finished, was cut off about 15 minutes into the unofficial portion.

Security was unusually tight around the reviewing stand, but the police made no noticeable attempt to restrict access to the square. Several foreign correspondents and a few Western tourists poured through the square with the marchers.

Atop the mausoleum, General Dmitri T. Yazov, the defense minister, glared. Mr. Gorbachev alternately bantered with colleagues and stared out over the heads of the crowd. After the unofficial marchers strode into view, he seemed to make a point of chatting with Mr. Popov.

"It seems to me that Gorbachev has brought us this far, but he is not the leader of the future," said a man who stood with his wife and 11-year-old son below the mausoleum. "It will not long before he leaves the political stage. People like Popov are the wave of the future."

His son, Sergei, said he understood the meaning of the slogans and, after some reflection, decided his favorite was "Down with the Communist Party."

The father clapped the boy approvingly on the shoulder, but declined to give his name because he is a major in the Ministry of Internal Affairs.

TALKS: *Both Sides Urge Caution*

(Continued from Page 1)

lifted restrictions on anti-government activists.

The president has urged black leaders to negotiate the end of South Africa's apartheid system of racial segregation.

He also has called on the black leaders to help develop a new constitution, which would give national voting rights to the black majority while preserving the political, economic and cultural rights of whites and other minority groups.

Both sides have emphasized that the talks were preliminary, intended to lead to formal negotiations.

The government has said it would talk only with groups that have renounced violence. Mr. de Klerk has said that the ANC leaders' continued calls for armed struggle hinder the chances for negotiations.

The black organization has insisted that it would not negotiate until the government meets certain conditions, such as ending a national state of emergency, freeing all ANC prisoners and guaranteeing that returning exiles would not be arrested.

Mr. de Klerk assured the ANC that exiled members participating in the talks would not be arrested.

The ANC delegation includes Joe Slovo, the white head of the Communist Party and former chief of the ANC's military wing.

Mr. Lekota said that the ANC delegation was busy Tuesday refining its approach to the talks.

"The delegation is very enthusiastic," Mr. Lekota said, "and it is confident that it will match the government's side."

Meanwhile, factional fighting continues to divide black communities across South Africa. *More than 500 people have died in the* clashes since the government lifted most restrictions on political activity in February.

The police reported Tuesday that six persons were killed, seven wounded and several houses and vehicles damaged in unrest on Sunday and on Monday throughout South Africa.

About 2,000 people marched in mixed-race townships outside Cape Town on Tuesday in the first legal May Day march featuring the Communist Party flag.

Last year, the government declared May Day a workers' holiday in response to years of protests and illegal strikes by black trade unions. *(AP, Reuters)*

EUROPE: *U.S. Mediating Bonn-Moscow Connection*

(Continued from Page 1)

physically prevent German unification, officials said. It is far too late for that. But the Soviets can drag their feet — "with bluff, bluster and blandishments," Mr. Okun said, and that is probably just what they will try to do.

"There is a word that we keep hearing from Shevardnadze lately: synchronization," said a senior administration official, in a reference to the Soviet foreign minister, Eduard A. Shevardnadze.

"What we think he means is that until they have a sense that all of their concerns and interests have been addressed — from the conventional forces negotiations to German unification — they will behave as though none of them have been addressed," the official said.

With this in mind, the administration has been preparing the ground for the Two-plus-Four negotiations by having Mr. Baker hammer home to Mr. Shevardnadze in all of their recent get-togethers that the outcome of these talks is inevitable: a united Germany in the North Atlantic Treaty Organization.

"The question for us is how we make it digestible for the Soviets so they will accept this inevitable outcome sooner rather than later," the administration official said. "There are a variety of things that will have to be done so that, when totaled up, it can convince the Soviets that this is a deal worth having."

The actual agenda for the talks, as far as the administration and its allies is concerned, will be two interrelated sets of issues, one category being legal questions, and the other security and economic ones. In both areas, though, the administration will be acting as a sort of mediator between Bonn and Moscow, administration officials said.

"We will be there to subtly make sure that Bonn does not give away more than might be wise from a NATO security point of view or a Western economic point of view," an administration official said.

At the same time, he said, the Americans will reassure the Soviets that the West has no intention of undercutting their security, in hopes that this will temper their demands.

The legal agenda involves nothing less than dissolving the rights of the Four Powers in Germany, which grow out of their occupation of the country after the unconditional surrender of the Third Reich in 1945.

Along with the discussion of these legal issues, the six will also discuss generally how to put together a package of initiatives that would make the establishment of a united Germany in NATO palatable to the Soviet Union. These, include the following:

- A united Germany is expected to unilaterally reaffirm West Germany's promise never to obtain nuclear, chemical or biological weapons, and formally confirm the Oder-Neisse line as its eastern border with Poland.
- To make a united Germany in NATO a less threatening and more politically acceptable entity to the Soviets, negotiations are expected to begin soon that would result in the elimination of all, or most, U.S.-controlled, short-range nuclear missiles in Germany in exchange for the removal of the Soviet Union's short-range missiles and nuclear artillery from Europe.
- West Germany is expected to reassure the Soviets that all the contracts they have with East German industries will be assumed by a united Germany.
- The Conference on Security and Cooperation in Europe will be given an expanded and formal role for resolving conflict and intra-European dialogue for its member states, administration officials say, so that after a united Germany joins NATO, the Soviets, Poles, Czechs, Hungarians, Romanians and Bulgarians will not feel left out in the cold.

WORLD BRIEFS

Pentagon Extends Spending Freeze

WASHINGTON (AP) — Defense Secretary Dick Cheney extended the Pentagon freeze on military construction projects Tuesday and ordered that 207 projects be reviewed for possible cancellation.

Mr. Cheney said the order affected "more than $7 billion in new construction contracts" in the United States, Western Europe and the Pacific. The 207 construction projects to be reviewed are valued at $1.2 billion. He said he was forced to continue the freeze, which was instituted in January, through June 15 because of possible budget cutbacks ordered by Congress and the sweeping changes in international events.

The House was scheduled to vote Tuesday on a House Budget Committee proposal that would significantly reduce military spending from President George Bush's proposed $303.3 billion for fiscal 1991.

Police Foil Plan to Kill Vienna Mayor

VIENNA (WP) — The police said Tuesday that they had foiled a planned attempt to kill the mayor of Vienna, Helmut Zilk, by arresting a man wielding a knife at the Socialist Party's annual May Day rally here.

The man, identified as Anton Zwinz, 39, was about 18 meters (20 yards) from the podium shortly before Mr. Zilk, Chancellor Franz Vranitzky and other officials arrived. The police said that Mr. Zwinz showed the knife to a Vienna taxi driver earlier in the day and that officers were able to find him after receiving a call from the driver.

Mr. Zwinz was described by a police spokesman as unemployed and mentally disturbed.

Ex-Banker Testifies at Marcos Trial

NEW YORK (NYT) — A former Philippine bank employee has testified that between 1982 and 1986 at least $83 million in cash had been deposited in secret accounts that prosecutors say belonged to former President Ferdinand E. Marcos of the Philippines and his wife, Imelda.

The former bank employee, Fernando Flores, said that the cash was delivered in cardboard boxes and counted in the bank basement. Mr. Flores, who was the assistant manager of Security Bank & Trust Co.'s cash department in Manila, said he did not know where the money came from or to whom it belonged. He said that the deposits were made by the bank president, Rolando Gapud.

Court Says Gabor Broke Probation

LOS ANGELES (Reuters) — A judge severely rebuked the actress Zsa Zsa Gabor on Tuesday as he ordered her to serve another 60 hours of community service for breach of probation.

Judge Charles Rubin told Miss Gabor that she had failed to complete the community work he had ordered her to do in October and that she had used her celebrity status to lead the director of a homeless shelter down a "primrose path." Miss Gabor was found guilty in October of assaulting a police officer and was initially sentenced to 120 hours of community service and three days in jail and fined $12,000. The jail sentence and fine are under appeal.

Nepal Police Fire on Crowd, Killing 2

KATMANDU, Nepal (Reuters) — The police said they shot and killed two persons in an attempt to drive back several hundred people who were attacking a local official's house in Pokhara, in central Nepal.

The police said that earlier Monday the crowd had set fire to a building nearby housing a district council that the official headed. The building was gutted before soldiers could put out the blaze. The police and witnesses said two persons were killed, and the police said three were wounded. The police said they fired into the crowd after warning shots were ignored, but witnesses said the police opened fire without warning.

The police said the attacks were organized by extreme leftist groups that had refused to join liberals and Communists in a movement for change. Witnesses said the attackers were disgruntled councilmen infuriated at the loss of their power base. King Birendra bowed recently to demands for change and lifted a 29-year-old ban on political parties.

30 Romanians Begin Hunger Strike

BUCHAREST (Reuters) — Thirty Romanians have begun a hunger strike as part of a protest against the leadership of the interim president, Ion Iliescu, and his campaign for election.

One of them, Claudia Zaharai, 25, said they would maintain their fast until they achieved their demand that former Communists be banned from free elections in Romania on May 20. She said the group had begun the strike on Monday.

The demonstrators, who have been holding an around-the-clock protest in University Square in Bucharest for more than a week, are challenging the right of Mr. Iliescu and other former Communist Party members to run for office. Mr. Iliescu angered the demonstrators by calling them "unlawful vagabonds" at a session of the provisional parliament last week.

10 Killed in Royal Air Force Crash

LONDON (Reuters) — A Royal Air Force surveillance plane crashed on a fog-shrouded island off Scotland's west coast on Monday, killing all 10 people on board.

The 40-year-old Shackleton aircraft, belonging to a squadron that watches for planes intruding into British air space, crashed on a hillside near Stornoway, in the Outer Hebrides. The plane took off on a training flight from Lossiemouth, on the east coast of Scotland.

The Shackleton is the longest-serving aircraft in the Royal Air Force and is a direct successor to the World War II Lancaster bomber.

Correction

In the April 28-29 Special Report on Arts and Antiques, a photo caption should have stated that a Louis XV writing desk attributed to Dubois was sold for 13,755,470 French francs ($2.45 million).

TRAVEL UPDATE

Interflug and Air France have inaugurated direct flights between Dresden and Paris, the East German news agency ADN said. *(AFP)*

Spanish motorists rushed to fill their tanks Tuesday as gas station employees prepared to start a nine-day strike for better pay. *(AP)*

Ireland began a crackdown on smokers Tuesday with offenders facing fines of 100 punts ($150) if they break laws against smoking in cinemas, theaters, trains, buses, air terminals, libraries and schools. *(Reuters)*

Indonesia and the Soviet Union are expected to sign an agreement next week to resume direct air links after an eight-year suspension, according to Transportation Minister Azwar Anas of Indonesia. *(AFP)*

A private Taiwan airline, Eva Airways Corp., will set up offices in Hanoi and Ho Chi Minh City this year to prepare for opening air routes between Taiwan and Vietnam, the airline said Tuesday. *(AFP)*

The airport in the eastern Chinese city of Hangzhou closed Tuesday for five months of repairs to enable it to accommodate jumbo jets, the Xinhua news agency reported from Beijing. *(AFP)*

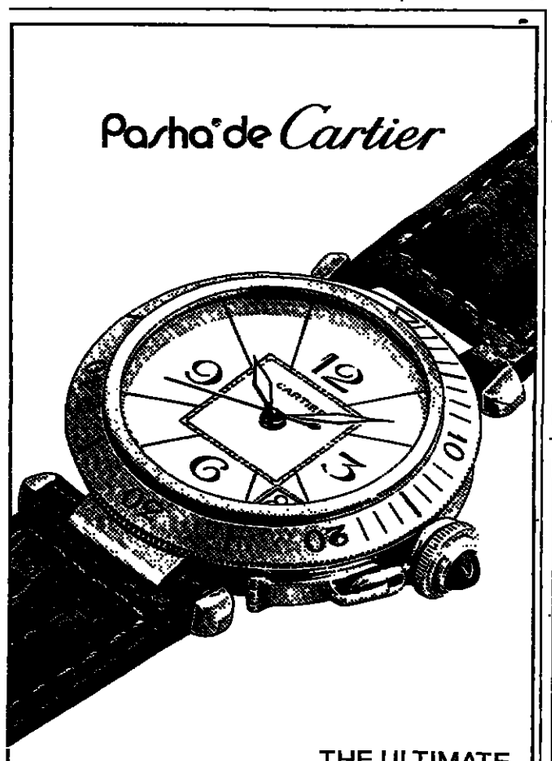
WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	19	66	10	50	pc
Athens	28	82	17	63	s
Barcelona	19	66	12	54	pc
Belgrade	19	66	12	54	pc
Berlin	14	57	5	41	s
Brussels	22	72	8	46	s
Budapest	21	70	10	50	pc
Copenhagen	20	68	10	50	pc
Costa Del Sol	20	68	13	55	pc
Dublin	15	59	7	45	pc
Edinburgh	13	55	6	43	pc
Faro	23	73	11	52	pc
Florence	25	77	12	54	pc
Frankfurt	19	66	7	45	pc
Geneva	19	66	7	45	pc
Helsinki	14	57	4	39	pc
Las Palmas	24	75	16	61	pc
Lisbon	23	73	11	52	pc
London	19	66	11	52	pc
Luxembourg	23	73	11	52	pc
Madrid	25	77	10	50	pc
Milan	25	77	12	54	pc
Moscow	12	54	2	36	pc
Munich	19	66	6	43	pc
Nice	22	72	12	54	pc
Oslo	17	63	7	45	pc
Paris	24	75	15	59	pc
Prague	19	66	4	39	pc
Reykjavik	9	48	4	39	pc
Rome	27	81	13	55	pc
Stockholm	17	63	8	46	pc
Strasbourg	22	72	10	50	pc
Venice	22	72	11	52	pc
Vienna	17	63	12	54	pc
Warsaw	17	63	5	41	pc
Zurich	20	68	7	45	pc
MIDDLE EAST					
Ankara	7	45	3	36	c
Cairo	—	—	—	—	—
Istanbul	12	54	6	43	sh
Jerusalem	26	79	13	55	s
Tel Aviv	31	88	19	66	s
OCEANIA					
Auckland	—	—	—	—	—
Sydney	25	77	13	55	s

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	26	79	pc
Beijing	28	82	14	57	s
Hong Kong	30	86	25	77	pc
Manila	34	93	27	81	pc
New Delhi	37	99	27	81	s
Seoul	24	75	12	54	s
Shanghai	21	70	12	54	pc
Singapore	32	90	25	77	t
Taipei	23	73	17	63	r
Tokyo	21	70	11	52	s
AFRICA					
Algiers	27	81	14	57	pc
Cape Town	17	63	11	52	r
Casablanca	19	66	11	52	s
Harare	28	82	15	59	s
Lagos	32	90	23	73	t
Nairobi	26	79	12	54	s
Tunis	19	66	14	57	c
LATIN AMERICA					
Buenos Aires	21	70	12	54	pc
Lima	24	75	15	59	pc
Mexico City	22	72	10	50	t
Rio de Janeiro	22	72	17	63	c
NORTH AMERICA					
Anchorage	7	45	3	37	sh
Atlanta	31	88	19	66	pc
Boston	27	81	15	59	pc
Chicago	27	81	15	59	pc
Denver	28	82	9	48	pc
Detroit	28	82	15	59	pc
Honolulu	29	84	23	73	pc
Houston	34	93	22	72	pc
Los Angeles	24	75	17	63	pc
Miami	29	84	22	72	t
Minneapolis	27	81	13	55	pc
Montreal	25	77	12	54	pc
Nassau	29	84	23	73	t
New York	28	82	17	63	pc
Phoenix	34	93	20	68	pc
San Francisco	17	63	11	52	pc
Seattle	13	55	7	45	r
Washington	31	88	18	64	pc

c-cloudy; f-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; s-sunny.

WEDNESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Showers. 24—13 (77—55). LONDON: Fair. Temp. 21—11 (70—52). MADRID: Overcast with showers. Temp. 20—9 (68—48). NEW YORK: Partly cloudy. Temp. 20—21 (68—70). PARIS: Showers. Temp. 15—10 (77—50). ROME: Fair. Temp. 22—10 (72—50). TEL AVIV: Hot. Partly cloudy. Temp. 32—19 (90—66). ZURICH: Partly cloudy. Temp. 22—12 (72—54). BANGKOK: Partly cloudy. Temp. 35—26 (95—79). HONG KONG: Fair. Temp. 30—25 (86—77). MANILA: Fair. Temp. 34—27 (93—81). SEOUL: Rainy. Temp. 17—12 (63—54). SINGAPORE: Fair. Temp. 32—25 (90—77). TOKYO: Fair. Temp. 19—11 (66—52).



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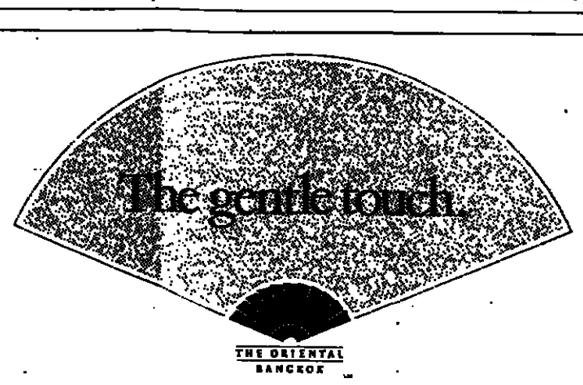

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Hubble Telescope: The Tinkertoy Trick

Scientists Use Children's Plaything To Free Balky High-Gain Antenna

By Kathy Sawyer
Washington Post Service

WASHINGTON — NASA engineers say that the Hubble Space Telescope, placed in orbit last week, finally is "off and running" after experts figured out how to free a stuck antenna by using sophisticated analysis and models made with children's toys.

"Everything is positive today, for the first time since the first day" said Michael Harrington, director of the telescope's orbital checkout for the National Aeronautics and Space Administration.

The antenna, jammed against an electrical cable since early Friday, will have its range of motion restricted to what engineers call the equivalent of a "sore wrist."

A small model of the hardware made from Tinkertoys and a lamp cord was used in freeing the balky antenna.

It will lose about 15 degrees of play out of 180 degrees in its ability to swivel in a semicircle. If it were allowed to move the full semicircle, it might become tangled in the cable again, said a telescope checkout official, Jean Olivier.

This restriction will not reduce the scientific return from the mission, which is to last at least 15 years, officials said. And other new information indicates it may put in more work-time than its designers expected.

The project has cost $2.1 billion so far, with the telescope itself costing $1.5 billion.

The Hubble is about four days behind schedule, officials said. Controllers at Goddard Space Flight Center in Greenbelt, Maryland, have begun to power up its science instruments, and the Space Telescope Science Institute in Baltimore was preparing to send the first set of normal operating instructions to the spacecraft Tuesday night. The telescope could return its first rough images this weekend, from a focusing test.

"We feel enormously good," said Charles Pellerin, NASA's chief of astrophysics.

The spacecraft may be more efficient than expected because, new evidence indicates, it is less vulnerable to radiation than predicted, Mr. Pellerin said.

The high-gain antenna is a dish at the end of a 15-foot (4.5-meter) mast. It is designed to swivel from side to side and up and down in order to lock onto a NASA communications satellite that can relay its science data to the ground at a rate of up to a million bits a second, which is the equivalent of transmitting a 30-volume encyclopedia in 42 minutes.

To solve the antenna problem, engineers used many clues in addition to the Tinkertoy model, including telemetry from the telescope's equivalent of the "black box" recorder in cockpits that airline accident investigators examine, and photographs of the Hubble taken before it was sealed into the shuttle Discovery for last Tuesday's launch. Tinkertoys are construction toys with various parts that fit together.

The trouble-shooting team, which included engineers at Goddard, Marshall Space Flight Center in Huntsville, Alabama, and Honeywell, the antenna contractor, concluded that a counterweight that protrudes behind the antenna was rubbing against the power cable, which was slightly too long and had looped out of its proper place in a "very subtle" way.

Bob Daugherty/The Associated Press

Mr. Harrington pointing out the troublesome high-gain antenna.

Restive Right Losing Patience With Bush

By Richard L. Berke
New York Times Service

WASHINGTON — Leaders of the conservative movement, who have been placated by President George Bush's relentless courting and occasional policy concessions, are for the first time threatening to break their uneasy peace with the White House.

While relations with the Bush administration have been far more harmonious than many conservatives expected, several say they are becoming increasingly frustrated by rebuffs from the president on issues that include the Lithuanian crisis, clean-air legislation and relations with China and the Soviet Union.

'More and more conservatives are talking about it as the Nelson Rockefeller administration that never was.'
Howard Phillips

Last week several Republican senators, in an unusual public breach, attacked the administration for negotiating a trade pact with the Soviet Union as Moscow cracked down on Lithuania.

Earlier in the week, Mr. Bush agitated many conservatives by inviting advocates of homosexual rights to a White House ceremony at which he signed a law ordering the study of crimes resulting from ethnic, religious or other prejudice.

Over the weekend, there was more discontent among conservatives, who, while pleased that Mr. Bush had stood firm in opposing abortion, said the president should have appeared at an anti-abortion rally here Saturday. He addressed the crowd by telephone instead.

Several conservative leaders say they have remained quiescent for several reasons.

Mr. Bush has been unexpectedly accessible to them; he has appointed as his leading advisers such conservatives as John H. Sununu, his chief of staff, and he has backed them on fundamental issues like not raising taxes.

More practically, they are wary of offending a president who is highly popular.

But Burton Yale Pines, a senior vice president of the Heritage Foundation, a conservative research center, said that attitude was changing.

"It's not at the stage of calling it betrayal," he said. "But it's gone from quietude to disquietude."

The administration's unwillingness to take stronger actions in support of Lithuania persuaded many conservatives, including those who had been consistent supporters of President Ronald Reagan, that they could no longer stay silent.

"I think Lithuania really is the defining moment of the Bush administration," said Howard Phillips, chairman of the Conservative Caucus, a Washington-based public policy action group.

"There is growing concern about the direction of the Bush administration," he said. "More and more conservatives are talking about it as the Nelson Rockefeller administration that never was."

Mr. Phillips said he expected public criticism of the administration from the Republican right to intensify.

Conservatives who turn against Mr. Bush would be left with limited options; there are no conservative Republican leaders who pose a realistic threat to the president's renomination in 1992.

Still, conservatives were among Mr. Bush's most devoted backers in the general election, and in 1992 he could suffer from their loss as avid campaign workers.

Senator Gordon J. Humphrey, a conservative Republican from New Hampshire, said his patience ran out last week when the president decided not to impose sanctions on the Soviet Union for its crackdown on Lithuania.

"That was just the last straw," he said.

"I see a parallel between the president's handling of the China situation and now Lithuania," Mr. Humphrey said. "We were told to be patient, that there were larger interests at stake. I think the president's mistaken. What's especially galling to me is that the president keeps pointing to these opinion polls which show the American people are behind him. But I think that's changing."

Participants at a private meeting of several hundred conservative leaders here last week said the tone was unusually bitter, reflecting what they perceived as serious grass-roots concerns about the administration's course.

"One speaker got up and denounced the Bush policy on Lithuania; he just got a tremendous, prolonged ovation," said Paul M. Weyrich, president of the Free Congress Foundation, a conservative lobbying group.

White House officials say they are well aware that the outcry over Lithuania could turn conservatives against the administration.

"Lithuania plus China — if those go badly — have the potential of legitimizing a conservative criticism of us on foreign policy," said one White House official. "It could be portrayed as a pattern of excessive accommodation of Communist dictators."

Storms in Bangladesh Kill 19 and Injure 500

DHAKA — A tornado and other storms lashed three Bangladesh districts over the weekend, killing 19 people and injuring 500.

Eight people died and nearly 800 homes were destroyed when a storm lashed Manikganj district adjacent to Dhaka district. Officials said seven people were killed in Siranjganj district, about 150 kilometers (about 93 miles) north of Dhaka, when a tornado ripped through 25 villages in the area. In Chandpur district, about 120 kilometers south of Dhaka, four people were killed when a house collapsed in a storm.

AMERICAN TOPICS

Study Says Television Makes People Moody

Television is more likely than any other leisure activity to leave people passive, tense and unable to concentrate, according to a 13-year-study sponsored by the National Institute of Mental Health and a group of nonprofit organizations. Titled "Television and the Quality of Life: How Viewing Shapes Everyday Experience," the study was written by two psychologists, Robert Kubey of Rutgers University and Mihaly Csikszentmihalyi of the University of Chicago.

The 1,200 people surveyed were aged 10 to 82. They carried pocket-sized electronic paging devices and booklets of self-report forms in which they recorded their activities and moods when the beepers were activated at random intervals day and night.

The researchers found that while people assume television offers relaxation and escape, sitting in front of a TV set, especially for long periods of time, actually leaves them in worse moods than they were before they began to watch.

That is not true of sports or other pastimes. Although it takes a good bit more exertion and concentration to read than it does to watch TV, for example, people reported feeling more relaxed after reading a book than they do after watching TV. And, after reading, they are also in better moods and much more able to concentrate than they are after a session in front of the television set.

Short Takes

As much as half the cocaine entering the United States arrives in East Coast ports, The New York Times reports. The cocaine is mingled with regular cargo that arrives in millions of boxy steel containers. Because of sheer volume, only a small percentage of the containers is inspected. "Everybody's concerned about small planes and fast boats coming in with 500 or 1,000 kilos" from Mexico and the Caribbean, said an official of the Drug Enforcement Administration. But much of it is in containers. "You're talking bulk," he said. "You're talking containers, containers, containers." And, he said, "Unless you have an informant providing definitive information that a shipment has cocaine in it, it usually goes right through."

Henry Steinhouse of Goldsboro, North Carolina, an eye doctor who is 100 years old, is running for Congress after watching the country "disintegrate" during his lifetime. It is his first electoral bid. "Doggone it, God has saved me for something," he says. "I feel like it's an obligation." He is running in the Republican primary. He opposes welfare, wants to rewrite the U.S. tax code to levy a flat tax on everyone, and expects women to stay home if they have children, instead of giving them subsidized day care.

A California oil company, Unocal Corp., says it will pay $700 for any car permanently registered in the state that was manufactured before 1975, up to a total of 7,000 cars. The aim is to get old cars, built before the days of pollution-reducing catalytic converters, off the roads and into the scrap yards. The program would account for only 1.7 percent of pre-1975 vehicles, but a spokesman said Unocal hopes other companies will follow suit.

George Bush likes country & western music, as he made plain during his election campaign, but Barbara Bush told The New York Times that he also loves opera. "I don't want to ruin his myth," Mrs. Bush said. "We go to sleep and we wake up to country music. I want that known. But we also do love to hear classical music. And we have it bellowing through the house." She said the First Couple's favorites include the opera stars Leontyne Price, "just great," and Placido Domingo, "wonderful."

Arthur Higbee

Jailed U.S. Aide Says Fraud Was Rampant at HUD

New York Times Service

WASHINGTON — An imprisoned former federal housing official told Congress about pervasive political favoritism and fraud in federal housing programs in the Reagan administration, and he acknowledged receiving about $100,000 in payoffs from lobbyists and housing developers.

The witness, DuBois L. Gilliam, provided a House panel with some of the most damaging testimony to date about President Ronald Reagan's housing secretary, Samuel R. Pierce Jr. Mr. Gilliam suggested that other senior aides to Mr. Pierce had accepted illegal gifts.

Mr. Gilliam, who was described by former colleagues as one of the secretary's closest aides at the Department of Housing and Urban Development, told of a Republican political network led by Mr. Pierce and including White House officials that controlled the distribution of billions of dollars in federal housing grants. But a lawyer for Mr. Pierce described Mr. Gilliam as having a "creative" memory, with which he hoped to win an early release from prison, where he is serving a 18-month term.

In one case, Mr. Gilliam said Monday, Mr. Pierce ordered the transfer of a career employee of the department who had detected favoritism and fraud at the agency.

On another occasion, Mr. Gilliam said, the housing secretary refused to finance a project in San Antonio solely because it was supported by a Democratic critic in the House, Representative Henry B. Gonzalez of Texas.

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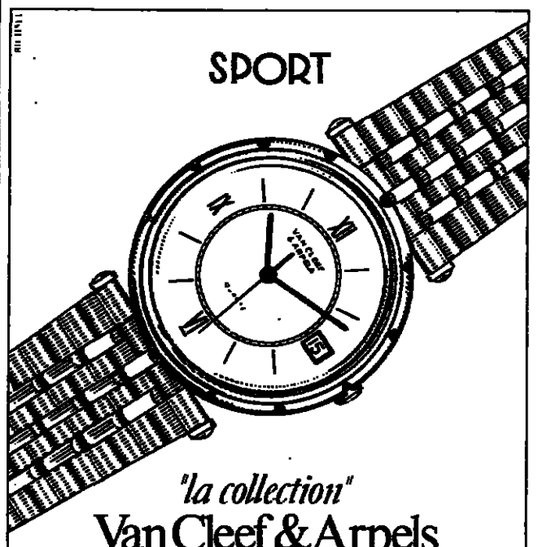
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West German Group to Pay $3 Million for Rare Bible Stolen by GI in '45

By William H. Honan
New York Times Service

NEW YORK — A ninth-century illuminated and illustrated manuscript of the Four Gospels in a jewel-encrusted gold-and-silver binding, which disappeared from a mine shaft in U.S.-occupied Germany in 1945, is to be returned to West Germany this week.

A private West German foundation has agreed to pay "a finder's fee" of $3 million to a lawyer for an American client who has the manuscript.

A foundation official said he was told that the manuscript was taken to Texas by an American soldier at the end of the war.

The artwork was taken from a mine shaft near Quedlinburg, a medieval castle town in what is now the Halle district of East Germany, shortly after U.S. forces occupied the town in 1945.

The disappearance of the manuscript had been the subject of an investigation by U.S. Army intelligence at the time, but the matter was dropped three years later.

"A manuscript of this age and pedigree is absolutely a national treasure," said Klaus C. Maurice, secretary general of West Germany's Cultural Foundation of the States, a private organization created for the purpose of acquiring cultural property.

"It tells the four Gospels, written with gold in 840 and signed by Samuhel, a ninth-century monk," Mr. Maurice said by telephone from his office in Berlin.

"We think that it was made for the imperial court and that one of the emperors, who founded Quedlinburg, himself made a gift of it to the Quedlinburg cloister in 936."

Scholars believe that Samuhel may have been the scribe and presbyter to whom the poet Hrabanus Maurus addressed some poems.

"It was in Quedlinburg for 1,000 years," Mr. Maurice continued, "and now we hope to hand it back to Quedlinburg if Germany is united."

Dr. Roland Folter, the director of H.P. Kraus Rare Books, a well-known antiquarian book dealer in New York City, said the manuscript of the Quedlinburg Gospels "is one of the foremost among the manuscripts of the German patrimony."

Mr. Maurice said he was approached on March 23 by Heribert Tenschert, a Bavarian art dealer who said he was representing an American client from Houston who had taken the manuscript to Switzerland in an attempt to sell it.

Mr. Maurice said he sent an expert to Zurich to authenticate the manuscript.

At the time, he said, he was told that if he failed to make an acceptable offer for the manuscript, it might be sold in Japan.

He said he offered $3 million "not as a price, but as a finder's fee."

Part of the arrangement was that the identity of the seller would never be disclosed.

Asked if the finder's fee was not actually a ransom, he said:

"That's the question you always face when you pay for things which have been stolen.

"If it had been in America, we would have used legal procedures and asked your government to help, but once it was in Switzerland and protected by Swiss law, there was only this one way of getting the object back: to pay."

He said the Quedlinburg manuscript was equal in quality and value to the Gospel of Henry the Lion manuscript, which was sold for $11.9 million at auction in London in 1983.

The manuscript is the most valuable of a number of items, including a collection of Saxon manuscripts, a silver work decorated with 13 precious stones, a gilded platter from about 1250, a 10th-century rock-crystal flask of Byzantine origin, a 12th-century ivory-and-gold comb belonging to Henry I, first of the Saxon kings, and several coins and pieces of embroidery.

The so-called Quedlinburg treasures, which include the Gospels and the other items, have long been recognized by dealers and museum officials as one of the most important cases of art looted during or just after World War II.

Mr. Maurice said he had no information about other parts of the Quedlinburg treasures, which have been missing since 1945.

U.S. Army documents indicate that the treasures were removed from the Quedlinburg Cathedral for safekeeping in the final days of World War II. They were hidden in a mine shaft southwest of the town.

Quedlinburg was occupied by U.S. troops on April 18, 1945.

Shortly after their arrival, a German official from the town examined the treasure and found "all pieces intact and present," a U.S. Army document says.

When the official returned a few days later, he found several pieces missing.

A U.S. intelligence officer briefly investigated the matter, determined that the troops stationed in Quedlinburg at the time of the theft were from Detachment 35 of a military government unit, and recommended that the men in that unit be found and interrogated.

Apart from an occasional report on the matter over the next three years, nothing was done to recover the Quedlinburg treasures, and finally the matter was dropped.

A Slipped Disk Fells Yeltsin In Barcelona

The Associated Press

BARCELONA — Boris N. Yeltsin, the Soviet populist politician, was in good condition Tuesday after undergoing surgery for a slipped disk, the doctor who performed the operation said.

Dr. Josep Llovet Tapies said that he expected Mr. Yeltsin to be able to walk by Wednesday and, if no complications arose, that he should be able to return to Moscow in several days.

The doctor said Mr. Yeltsin had been moved Tuesday from the intensive care unit to a regular hospital room.

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Kim Chulsoo/Agence France-Presse

HEADING TO BATTLE — Carrying firebombs, students at Ewha University for Women run toward police in Seoul on Tuesday. Clashes continued in South Korea to protest the police storming of the Hyundai Heavy Industries Co. shipyard in Ulsan.

Report Cites 19 Burma Torture Centers

United Press International

LONDON — The Burmese government is operating 19 torture centers and routinely brutalizes political opponents with beatings, with electric shocks, by rubbing salt into their wounds and by forcing them to crawl on broken glass, Amnesty International says.

The London-based human-rights group said in a report that thousands of people had been arrested for nonviolent political opposition to the military government of Prime Minister Saw Maung.

General Saw Maung came to power following a coup in September 1988.

The Burmese government had no immediate comment on the report, which was to be released Wednesday.

Burma had refused entry to Amnesty International investigators, but the group said that it uncovered evidence of torture by interviewing 16 recently released political prisoners and hundreds of refugees, and through other means.

The group said that the coup had been followed by severe human-rights violations, including mass arrests of prisoners of conscience, torture, summary trials and extra-judicial executions.

The report says that "at least six military and civilian security agencies" operating in different centers across the country "have been routinely torturing detainees over the past two years."

The main detention complex is Ye Kyi Aing camp, north of Rangoon, but there are 18 other torture centers, according to the group.

Torture had been reported in areas where the government was fighting guerrilla groups, but Amnesty International said the new evidence, gathered in 1989, showed that state-sanctioned brutality was a nationwide phenomenon.

Amnesty International said it had identified 15 types of torture, "including various kinds of beatings, electric shocks, being forced to walk on the knees on gravel or broken glass, and slitting parts of the body and rubbing in salt or curry powder."

The group also said that torture was customary during initial interrogation and that prisoners were denied contact with relatives or lawyers for months until their wounds had healed.

Victims included Buddhist monks, students, academics, artists, laborers, professionals and trade unionists.

Amnesty International reported the treatment given to U Se Myint, 50, a merchant who was reportedly arrested in May 1989 for his involvement with the Democratic Party for a New Society, a legally registered political organization.

"He was beaten and put in a large rice bag and kicked all over with combat boots," someone who saw the merchant in prison told Amnesty International.

"They also rolled an iron bar over his shinbones until his skin peeled off, leaving the bone bare," the witness said. "He was in addition nearly drowned — his head was pulled under water to force his confession."

The group also told of the death by torture of a 15-year-old Muslim in March 1988. The youth was admitted at Rangoon General Hospital for treatment of severe burns apparently suffered during an anti-government protest.

Chinese Troops Begin Tibet Withdrawal

Compiled by Our Staff From Dispatches

BEIJING — Chinese troops began withdrawing from central Lhasa on Tuesday as martial law was lifted, nearly 14 months after troops entered the Tibetan capital to quell protests for independence.

The Xinhua news agency said troops lined up in front of the Jokhang Temple — Tibet's most revered Buddhist shrine and the focus of anti-Chinese demonstrations — after being ordered to leave at midnight Monday.

Tibet's Communist Party secretary, Hu Jintao, reviewed the troops and "praised the servicemen for their great contribution to stabilizing the situation in Lhasa," the agency said.

The move drew a mixed response from abroad.

In Washington, a State Department spokesman said the United States welcomed the announcement but called on Beijing to open Tibet to foreign diplomats and journalists.

And in India, the Dalai Lama, the exiled Tibetan leader, also welcomed the lifting of martial law but described it as little more than a public relations exercise by China.

Thousands of troops poured into the ancient city on March 7 last year after the police failed to control three days of pro-independence demonstrations and rioting.

The Chinese authorities have said fewer than 20 people were killed in the unrest but doctors and foreign reporters said about 50 Tibetans had been shot and killed by police before the army moved in. *(Reuters, AFP)*

Little Impact Seen

Daniel Southerland of The Washington Post reported earlier from Beijing:

Western diplomats said that the lifting of martial law may have little real impact because thousands of policemen and paramilitary troops stationed in and around Lhasa will tightly control the city after the regular army withdraws.

The diplomats said the decision to lift martial law was aimed partly at softening the anti-Beijing position of U.S. congressmen who have been threatening to lift China's most-favored-nation trading status to protest Beijing's repression of political dissent.

According to Xinhua, Prime Minister Li Peng signed the order Monday, saying that the situation in Lhasa had returned to normal and martial law would be lifted as of Tuesday.

Foreign travelers who have visited Lhasa in recent weeks said that under martial law, the Chinese Army *maintained checkpoints* throughout the city while troops camped near major Buddhist monasteries.

One recent traveler said authorities had expelled a number of monks considered to be pro-independence "troublemakers" from several key monasteries near Lhasa and that other monks had begun to leave the monasteries in protest.

A spokesman for the Dalai Lama, who won the Nobel Peace Prize last year, reached by telephone in New Delhi, said he hoped the lifting of martial law was more than cosmetic.

"We welcome any meaningful move to ease the situation in Tibet. We've been urging the lifting of martial law for the past year, but we hope it is not only on paper," the spokesman said.

A foreign analyst said Beijing's action may in part be an attempt to regain the diplomatic initiative after recent successes achieved by the Dalai Lama. He has been warmly received by leaders in both Western and Eastern Europe, despite strong protests from Beijing.

Another reason for lifting martial law may be to increase revenues from tourism this summer. Tibet had begun to draw as many as 40,000 foreign visitors a year, but this dropped to 4,000 last year following the rioting and army crackdown.

Ignoring U.S. Requests, China Sends Weapons Shipment to Khmer Rouge

New York Times Service

WASHINGTON — In defiance of numerous requests from the Bush administration, China has recently sent large new shipments of weapons to Khmer Rouge guerrillas battling the Cambodian government, administration officials say.

On trips to Beijing in July and December, President George Bush's national security adviser, Brent Scowcroft, and Deputy Secretary of State Lawrence S. Eagleburger asked the Chinese to curtail military support for the Khmer Rouge.

The Chinese have been arming the Khmer Rouge for years. But the discovery of large new arms shipments represents a setback for Mr. Bush's policy and is the latest example of the failure of U.S. attempts to change Chinese behavior through the Scowcroft missions.

In a confidential report to Congress this month, the State Department said there had been no discernible decrease in Chinese arms deliveries to the Khmer Rouge over the past six months. Administration officials said the quantity and quality of the weapons had increased as fighting in Cambodia intensified.

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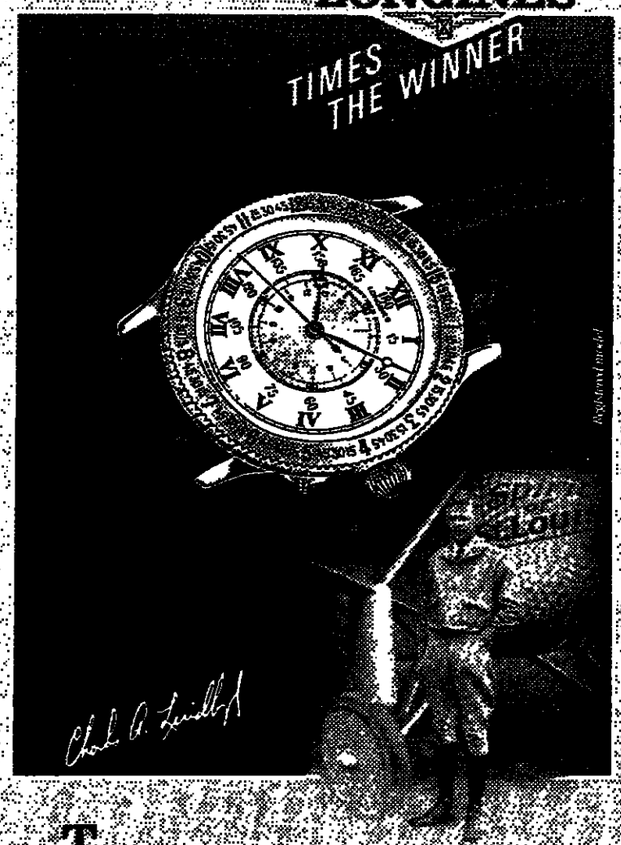

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Jews Leave Christian Quarter

130 Honor Deadline to Vacate Church Site in Jerusalem

By Jackson Diehl
Washington Post Service

JERUSALEM — Jewish nationalists occupying a church-owned building in the Christian quarter of Jerusalem's Old City reduced their numbers from 150 to 20 on Tuesday in compliance with a court order.

But the settlers said their attempt to move into the Christian quarter would continue in a court battle that could take months.

Leaders of the settlers emerged from the 72-room complex owned by the Greek Orthodox Church on Tuesday and said they had complied with a ruling by the Israeli Supreme Court last week ordering their temporary eviction.

The court allowed 20 settlers to remain at the complex, known as St. John's Hospice, for security and maintenance of the property, while the case continued to be argued in Israeli courts.

The settlers initially rebuffed a six-member delegation of the Greek Orthodox Church. The delegation later was allowed to enter the complex and confirm that only 20 settlers remained.

The question of whether the remaining settlers will be forced out now will be decided in a court case focusing on whether the $4 million purchase by the settlers of a lease on the property is valid.

A lawyer for the settlers, Dan Avi-Yitzhak, said that the case would take months to resolve despite the Supreme Court's call last week for accelerated judicial action. He said that a district court on Wednesday would hear arguments on whether the temporary eviction should be reversed.

A spokesman for the settlers, Shmuel Eviatar, said, "Our goal is to be able to live freely in every part of Jerusalem."

The settlers moved into the property on April 11.

The government-financed attempt to break down a divide in the Old City between Jewish, Christian, Muslim and Armenian quarters has drawn widespread criticism and raised questions about the direction of acting Prime Minister Yitzhak Shamir's rightist leadership.

Seven weeks after his Likud party's coalition with the leftist Labor Party broke down, Mr. Shamir appears determined to set up a new rightist government with the aid of religious and nationalist parties.

And Mr. Shamir has moved toward accelerating Jewish settlements in East Jerusalem and the Israeli-occupied West Bank and Gaza Strip despite opposition from the United States.

The newspaper Ha'aretz reported Tuesday that rightist parties and leaders of settler movements were calling for the prospective new government under Mr. Shamir to establish 26 new settlements in the occupied territories.

But aides to Mr. Shamir said he was not contemplating such a plan.

"We are not going to do anything revolutionary on any of these contentious issues," a senior aide to Mr. Shamir said. He denied reports that two new Jewish settlements soon would be set up in the West Bank, saying that no decision had been made on whether to proceed with them.

In another court development, a district judge sentenced an ultranationalist settler leader, Rabbi Moshe Levinger, to five months in prison for killing a Palestinian in the West Bank town of Hebron. Rabbi Levinger was accused of shooting and killing a shopkeeper in September 1988 during a stone-throwing incident in Hebron. But he was allowed to plead guilty to the lesser charge of causing death by negligence.

Rabbi Levinger is the second settler to be sentenced to a jail term for attacking Palestinians during an ongoing uprising against Israeli rule in the territories. At least 29 Arabs have been killed by settlers since the rebellion began in December 1987.

■ Immigration Record Is Set

Immigration officials said Tuesday that the number of Soviet Jews arriving in Israel underwent a large increase during April and for the first time exceeded 10,000, an all-time record, The New York Times reported from Jerusalem.

The officials said that 10,500 Soviet Jews moved to Israel last month, compared to 7,300 in March and only 544 in April 1989.

And the new figure set off a round of recrimination and debate on Tuesday as Israeli officials pointed fingers because the government still had not completed a single new apartment for the immigrants and had only created a handful of new jobs.

An Immigration Ministry official said Tuesday that there was only enough rental housing for the next two or three months if the immigrants continued arriving at the current rate.

But the head of immigration and absorption for the quasi-governmental Jewish Agency, Uri Gordon, said Israel should count on continued increases in arrivals.

"In the coming months, we are expecting close to 20,000 a month," he said.

Max Nash/The Associated Press

Archbishop Gregorius of the Greek Orthodox Church arguing with a settler in front of the church-owned complex in the Christian quarter of Jerusalem's Old City before it was vacated Tuesday.

U.S. Report on Terror Lists Syria and Iran Despite Aid on Hostage

By George Lardner Jr.
Washington Post Service

WASHINGTON — The State Department has again labeled Iran and Syria state supporters of terrorism, even as President George Bush publicly thanked the two countries for their help in the release of another American hostage.

White House officials reportedly expressed concern to the State Department about releasing the terrorism report on the same day that Frank Herbert Reed was freed from captivity in Lebanon, the second U.S. citizen to be released within eight days. Department officials said they had no choice but to release it Monday because that was the deadline set by Congress for submission of the annual report.

The report designated six countries as state supporters of terrorism: Cuba, Iran, Libya, North Korea, South Yemen and Syria. The designations carry certain trading restrictions on nations "determined by the secretary of state to have repeatedly provided support for acts of international terrorism."

[The Bush administration will consider returning Iraq to the list, Secretary of State James A. Baker 3d told Congress on Tuesday, The Associated Press reported from Washington. Mr. Baker said efforts by Iraq to develop a nuclear program were "particularly disturbing." It was removed from the list in 1984.]

According to the report, which covered 1989, Iran was the most active state sponsor of terrorism, backing 28 attacks last year. That was a decline from 32 in 1988, but the report emphasized that the pattern had continued even after the death of Ayatollah Ruhollah Khomeini last year.

Among the incidents, the department's Office of Counterterrorism said, were the assassinations of "at least five Iranian dissidents," calls for the death of Salman Rushdie, the author of "The Satanic Verses," and attacks on publishers and distributors of the book.

Another leading Iranian dissident was shot to death in Switzerland last week.

"The events of 1989 indicate Tehran continued to view the selective use of terrorism as a legitimate tool to achieve foreign-policy goals," the report said.

It said Iranian-sponsored attacks against Saudi Arabian interests also increased in 1989 and traced them to Saudi restrictions on the number of Iranians permitted to make the annual pilgrimage to the holy city of Mecca. The restrictions were imposed after pro-Khomeini riots during the 1987 pilgrimage.

The report, "Patterns of Global Terrorism," said Iranian intelligence had been used to facilitate "and in some cases carry out the attacks." It also charged that Iran was "probably involving itself with, if not organizing," terrorist operations of Hezbollah, the militant Party of God, in Europe, West Africa and elsewhere.

State Department experts said they had no evidence that Syrian officials were involved in attacks "outside Lebanon" since 1987, but "they continue to provide support and safe haven to a number of groups that engaged in international terrorism," like Hezbollah and the Popular Front for the Liberation of Palestine-General Command.

Investigators suspect that the Front was involved in the December 1988 bombing of Pan American World Airways Flight 103 over Lockerbie, Scotland, in which 270 people were killed.

Worldwide, terrorism dropped sharply last year, to 528 incidents in 1989 from 856 in 1988, a decline of about 38 percent, the report said. There was only one so-called "spectacular" terrorist operation, it said: the unsolved bombing of a French airplane over Niger in September, which resulted in 171 deaths.

Terrorist attacks against U.S. targets dropped almost 15 percent, to 165 last year from 193 in 1988.

Syria was credited in the report with trying to secure the release of the remaining hostages in Lebanon and with helping to prevent death threats against Joseph James Cicippio, an American hostage, from being carried out.

Libya "continued to show public signs of moderation while maintaining its network of support for international terrorist groups," the report said. And South Yemen "has continually reduced" its involvement since the early 1980s although it continued to allow some radical Palestinian groups to maintain a presence in South Yemen.

Israeli Voters' Pleas for Change Fall on Deaf Ears

By Joel Brinkley
New York Times Service

JERUSALEM — The placards, petition tables and posters of a large and assorted collection of protesters and hunger-strikers have been taking up more and more room in recent days along Jabotinsky Street here, just across from the president's house.

The protesters want to change the national election system so that Israel does not throw itself repeatedly into political turmoil and government paralysis because neither of the major parties can win enough parliamentary seats to govern by itself.

"Stop Dirty Politics!" a poster read. "Honorable President," read another, "save your people from their leadership. This nation deserves better."

President Chaim Herzog received a delegation of mayors, academics and community leaders this week who presented him with certified petitions signed by half a million adults, 11 percent of the general population and 22 percent of the eligible voters.

Mr. Herzog, whose office is largely ceremonial and nonpolitical, seemed to agree with them.

"I don't remember anything quite so intense, quite so deep felt," he said. "It started as soon as the horse trading began."

He was alluding to the politicians' efforts to form a new coalition government to succeed the two Likud-Labor coalitions that have run the country since 1984 but have both collapsed.

"Now we are sitting on a canister of compressed gas," Mr. Herzog added. "All it needs is a match, and we're going to have one hell of an explosion."

To the people and their leaders, Mr. Herzog gave a nationwide broadcast address on the occasion of Israel's 42d Independence Day that, to some, may have seemed like an unexpected blast.

"How can citizens who have the democratic right to choose their representatives watch calmly the present political phenomena revealing a total contempt for the principles of democracy?" he asked. "I appeal to the political leaders not to ignore the voice of the people."

It is rare for an Israeli president to take strong political stands.

Still, Mr. Herzog said, the hundreds of thousands of Israelis who have lost faith in their elected leaders as a result of their behavior in coalition talks in the last six weeks have had no one to turn to but him.

But leaders of the two major parties, Labor and Likud, are blithely ignoring their citizens' demands.

No one among them is actively pushing for the changes sought by Mr. Herzog and the protesters.

As it stands now, Israelis vote only for a political party, and parties that win just under 1 percent of the vote gain a seat in the 120-seat parliament, or Knesset.

As a result, a dozen or more parties may have Knesset seats. The current legislature has 17 parties and splinter groups.

Never has either of the major parties gained enough support to form a government without tiny coalition partners, all of which can extract extravagant promises in exchange for support.

Only by meeting those demands can Labor or Likud form a government, with the leader of that party becoming prime minister.

> **'We are sitting on a canister of compressed gas. All it needs is a match, and we're going to have one hell of an explosion.'**
>
> **President Chaim Herzog of Israel**

That is what has led to the political haggling in recent weeks.

This largest-scale public protest in Israel's history now enters its fifth week and continues to grow.

An estimated 4,000 people protested Monday outside the Knesset, although it was not in session.

More than 150,000 people held a rally in a downtown Tel Aviv park early last month.

But there is more than a little doubt that it will have any real effect in the end.

Mr. Herzog invited each of the political parties in for talks in early April, as part of his deliberations to decide who should be given the first chance to form a government.

The acting prime minister, Yitzhak Shamir of Likud, seems poised to form a new government dependent on the support of several small religious and rightist parties, most of which oppose change.

These parties are making extravagant demands, just as other parties did during Labor's failed effort to form a government recently.

In mid-April, when it appeared that Shimon Peres, the Labor leader, might force Mr. Shamir out of power, the Likud leader suddenly "found religion," as some people put it at the time.

Electoral changes were what the nation needed, Mr. Shamir's office said. Mr. Shamir would push for that above all else, no matter what.

But when a court order filed by the election-system protesters forced Likud to reveal some of its previously secret coalition agreements with the smaller parties, it became clear that Mr. Shamir had made them a promise — no changes.

And now, Mr. Herzog said, "this narrow government" that Mr. Shamir seems likely to form "won't do anything" about electoral change.

"But some people within that government may insist on it," the president added.

U.S. Resumes South Yemen Tie

The Associated Press

WASHINGTON — The United States and the leftist government of South Yemen have resumed diplomatic relations after a break of nearly 21 years.

The State Department spokesman, Margaret D. Tutwiler, expressed satisfaction over the move Monday and said the United States sought "a useful productive relationship."

But South Yemen continued to be on a U.S. list of countries that engage in international terrorism, Miss Tutwiler said, because terrorist organizations have been allowed to maintain facilities there and South Yemeni officials have provided refuge for airline hijackers.

Challenge to Catholic Tax Break Fails

By Linda Greenhouse
New York Times Service

WASHINGTON — A decade-long effort to strip the Roman Catholic Church of its tax-exempt status because of anti-abortion political activities has ended as the U.S. Supreme Court let stand a ruling that the challengers had no standing to bring the suit.

In other action on Monday, the Supreme Court ruled unanimously that states and other nonfederal parties could sue under federal antitrust law to break up a corporate merger on the ground that the combined company posed a threat to competition. The decision permits state attorneys general to challenge even mergers that have received federal approval.

The court made its decision on the Catholic Church without comment. The question before the justices was a procedural one. No court has ruled on the merits of the lawsuit: whether the anti-abortion activities of the Catholic Church make it ineligible for federal tax exemptions.

Several organizations and individual abortion-rights supporters had sued the Internal Revenue Service and the Treasury Department. They alleged that the church was engaging in the kind of political activity that the tax code prohibits for all tax-exempt charitable, educational and religious organizations. The suit had a complex procedural history, including a Supreme Court ruling on a subsidiary issue two years ago, and it never went to trial.

The Internal Revenue Code provides tax-exempt status for nonprofit organizations that do not "participate in, or intervene in" political campaigns. Intervention is defined to include "the publishing or distributing of statements."

The suit alleged that while individual priests and the church hierarchy had "participated in political campaigns in all parts of the country," the IRS had "consistently overlooked these violations and failed and refused to perform their statutory duty" to terminate the church's tax-exempt status.

Under Supreme Court doctrine, those bringing lawsuits in federal court must first demonstrate they have standing to sue, usually by showing they have suffered in some concrete way.

In this case, Abortion Rights Mobilization v. U.S. Catholic Conference, the plaintiffs characterized the church's tax exemption as a federal subsidy that had the effect of giving an unconstitutional advantage to one side in a political debate.

They tried to overcome the obstacle of standing by presenting an array of plaintiffs, including clergymen who favored abortion rights and tax-exempt organizations that argued they were put at a competitive disadvantage by their own adherence to the law requiring restraint from political activity on behalf of abortion rights.

But by a 2-to-1 vote in September, a panel of the U.S. Court of Appeals for the 2d Circuit in New York rejected the plaintiffs' arguments for standing. The majority said the clergymen had no injury beyond their "discomfiture at watching the government allegedly fail to enforce the law with respect to a third party."

They said the abortion rights organizations did not have standing because by refraining from political activity, "they choose not to compete" with the church.

Lawrence Lader, the president of Abortion Rights Mobilization Inc., said Monday that the idea of challenging the church's tax exemption was now a "dead letter."

In a brief urging the court not to hear the appeal, the Bush administration said the lawsuit threatened "to create 'mischief' and 'constitutional controversy.'"

The ruling on antitrust suits follows recent legislative action in Pennsylvania, Massachusetts, Indiana, Delaware and other states that makes unsolicited takeovers more difficult. State officials have become increasingly active in the antitrust area as federal enforcement has declined.

The ruling, written by Justice John Paul Stevens, overturned a decision last year by the 9th U.S. Circuit Court of Appeals in California. The appeals court had ruled that the Clayton Antitrust Act did not permit California to seek to undo the merger of two large supermarket chains.

The federal government has undisputed authority under the Clayton Act to seek a divestiture as a remedy for a merger or acquisition that violates the antitrust laws. But there had been a dispute among the lower federal courts over whether the Clayton Act extended this authority to "private" parties, which under antitrust law means states as well as companies.

Irving Scher, a partner at Weil, Gotshal & Manges in New York and a former chairman of the American Bar Association section on antitrust law, said, "The implications are important, because to the extent that attorneys general want to be active in stopping intrastate mergers, they now have the power to do it."

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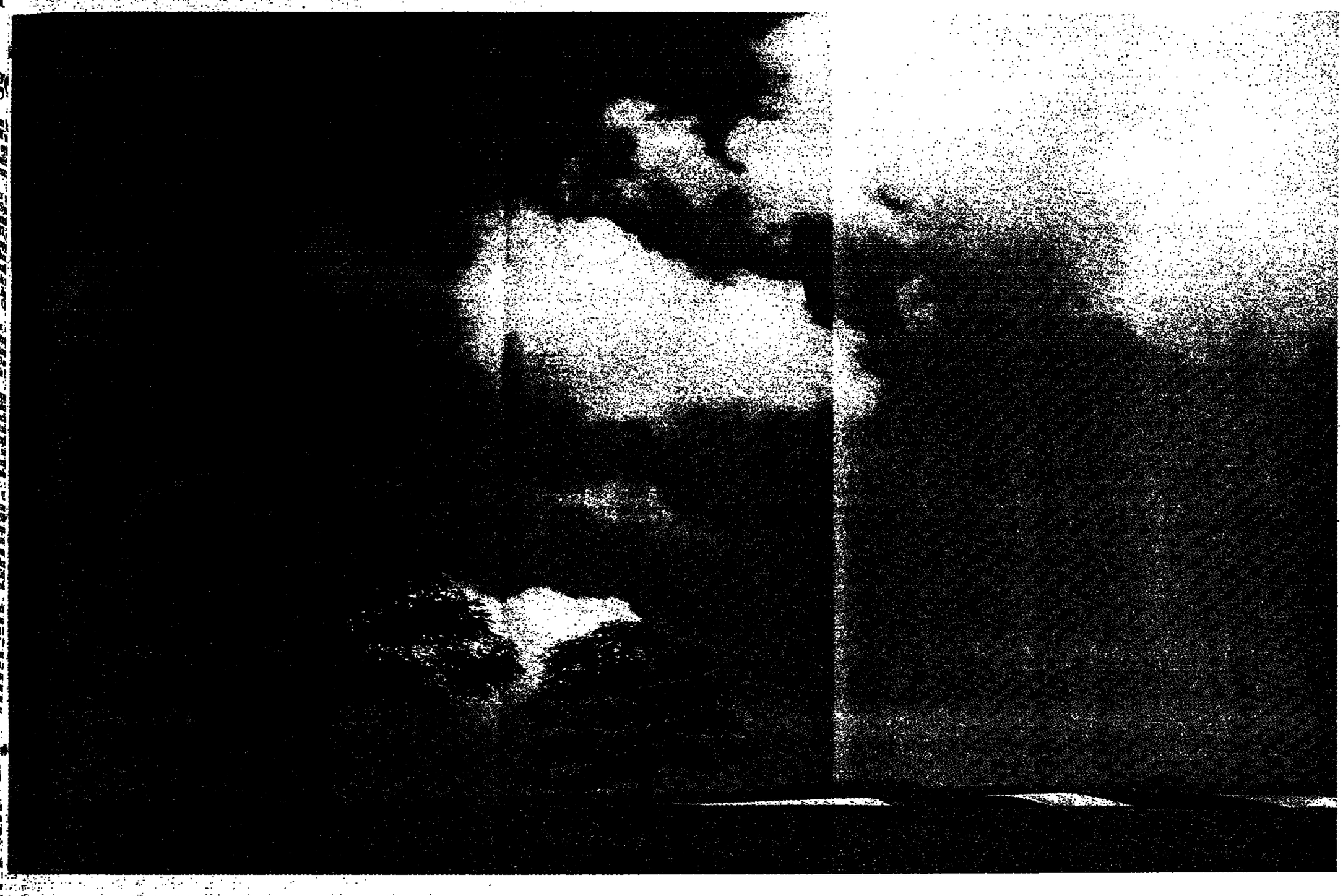

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OPINION

Bush's Trade Strategy

When the White House decided not to put Japan on its list of unfair traders this year, it was making a crucial choice in foreign economic policy. The United States is the leading force in the Uruguay Round of negotiations — so called because they began there — to reform and expand the worldwide rules for fair trade. The deadline is December.

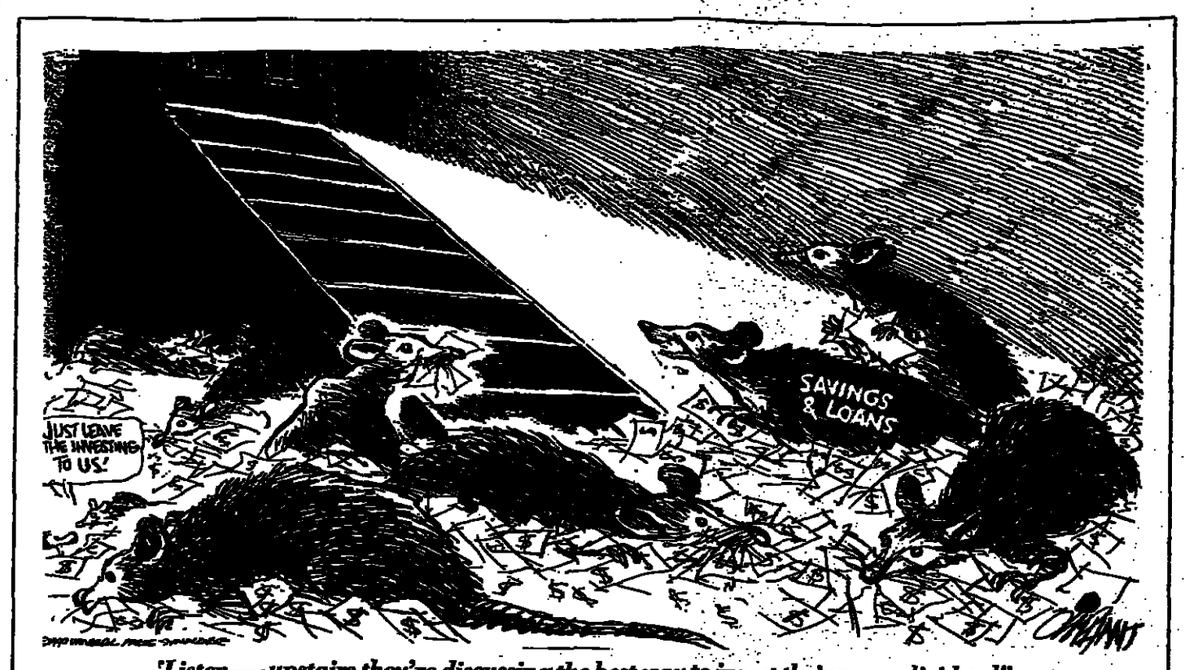
If those talks fail, the drive for comprehensive worldwide rules will probably collapse. It has been running more or less consistently since World War II, and has been a major factor in the enormous expansion of prosperity over the years. But, possibly because people now feel richer, the tolerance for foreign competition has declined in many countries. The alternative to world rules on the Uruguay model would be country-by-country deals, inherently discriminatory and generally protectionist.

Citing Japan for misbehavior would have helped the administration's relations with Congress, which is full of people who find it convenient to blame the trade deficit on other countries. But this annual list of unfair traders is a peculiar device. It has very little direct legal effect, but an extraordinary political and symbolic impact. Citing Japan again would have started another huge quarrel and further threatened the Uruguay talks.

By refusing to accommodate congressional demands, President George Bush and his trade representative, Carla Hills, are taking a real risk. A lot of congressmen will find ways to retaliate on trade issues. But the Uruguay negotiations, if they succeed, will be well worth it. There the United States is pushing for rules to cover, for the first time, trade in services — an increasing proportion of American exports. It is negotiating for protection of intellectual property, meaning, among other things, international enforcement of copyrights and patents. It is trying to get limits on export subsidies and, hardest of all, rational rules for agricultural trade.

None of this will happen without strong American leadership. The European Community has never been an enthusiastic supporter of open trade. The Japanese market will never give foreigners any more access than foreign political pressure achieves. Now Mr. Bush and Mrs. Hills, at some political cost to themselves, have tried to convey to the rest of the world that they are working in good faith to keep the Uruguay talks on track. That puts an additional obligation on the other major trading countries, beginning with Japan, to see that over the next eight months these talks make solid progress.

— THE WASHINGTON POST.



'Listen — upstairs they're discussing the best way to invest their peace dividend!'

Shamir vs. Progress

Labor's Shimon Peres, working within Israel's painful condition of chronic stalemate, has failed to form a new government. It is Likud Prime Minister Yitzhak Shamir's turn now, and although he could try to draw Labor back into another "national unity" government he may prefer to recruit enough mini-parties and up-for-sale mavericks to ensure "narrow" Likud rule. The astonishing corruption on view during the bargaining has sickened much of the Israeli public and stirred calls for electoral reforms to eliminate the small factions and provide for direct election of the prime minister. Yet the current system plainly suits the men who run it.

One could say that if Israel chooses to debase its democracy, that is its privilege. In this instance, however, others have reason to voice concern. Shimon Peres, for all the disappointments he has given supporters and well-wishers, represents the part of the Israeli spectrum prepared to experiment with the American peace initiative. Yitzhak Shamir's party rejects the initiative. We think the American proposal holds large possibilities of moving the Israeli-Palestinian dispute into a zone of negotiation. This is why Mr. Peres embraced it, believing as he does that in this negotiation lies the prospect of safety for Israel and coexistence with its neighbors. It is also why Mr. Shamir rejects it. He sees in it danger for Israel and defeat for its hopes of retaining the occupied West Bank.

If Mr. Shamir stays in office, the United States faces a dilemma. It has an obligation to a friendly nation that has made a democratic choice and has been the victim of unrelenting hostility from most of its neighbors. But Mr. Shamir's policy now runs counter not just to the American interest but also to that of those Israelis who believe in the necessity of a negotiated settlement. The United States seeks peace with the Palestinians on the basis of fitting their national rights to Israel's; Mr. Shamir denies their national rights altogether. The United States favors an exchange of territory for peace; he rejects this basic formula. The United States wants to settle the ultimate status of Jerusalem by negotiation, he by Israeli dictate.

The cry rings from Mr. Shamir's defenders that the true threat to the U.S.-Israeli relationship lies in American clumsiness. That is wrong. Whatever the flaws in the Bush administration's dealings in the Middle East, the true threat to the U.S.-Israeli relationship lies in the ways of the Shamir government.

— THE WASHINGTON POST.

Israel's Parties Are Comfortable With Stalemate

By Ismar Schorsch

NEW YORK — As Soviet Jews continue to reach Israel in ever larger numbers, the country remains without a government. This historic immigration, requiring the political will to redistribute limited resources for proper absorption of the newcomers, is left to the bureaucracy to administer. The leaders of America's Jewish community are prolonging the crisis by a deferential silence.

Most assuredly, the fault does not lie with Rabbi Menachem Schneerson of Brooklyn, leader of Lubavitch movement, or his Israeli nemesis, Rabbi Eleazar Schach of the Torah Flag Party. Their sudden political power and prominence are symptoms of the malaise, not its cause. As leaders of small, single-issue blocs, these religious charismatics are fully entitled to exploit the paralysis of coalition politics for their interests.

The real fault lies with the leaders of the two major parties, Likud and Labor. For years they have willfully perpetuated the political system by repeatedly succumbing to the religious parties' demands in order to form a government. The cost of these unsavory deals to the Israeli taxpayer and American Jewish donors will never be known.

Deep mutual antagonism and a single-minded pursuit of power have deterred the Labor and Likud leaders from uniting for electoral reform.

This was surely the mandate of the government that just fell. The 1988 election, with its growth in the religious parties' strength and scandalous debate over "who is a Jew?", intensified the outcry for change.

But, as usual, inaction prevailed, because the system of voting for parties and proportional representation frees Knesset members from accountability to a geographic constituency and cushions the parties against public pressure. Thus, Prime Minister Yitzhak Shamir could tell a reporter that the recent demonstration in Tel Aviv of 250,000 for electoral reform "was a matter of the media."

Some responsibility for this inertia must be borne by the leaders of U.S. Jews. In comparison with their loud, effective protest in 1988 against a prospective amendment to the Law of Return, their silence in the face of today's irresponsible political stalemate is distressing. (That amendment would have allowed only those born of a Jewish mother or converted to Judaism by an Orthodox rabbi to be eligible for citizenship.)

The need for electoral reform is fundamental and urgent. Each new spectacle of political paralysis costs the Israelis heavily in respect and support abroad. Yet instead of mobilizing again, to enunciate their concern and support the ground swell for reform, U.S. Jews' leaders are solely absorbed with raising the funds to settle Soviet Jews in Israel.

For all of the importance and nobility of this campaign, it is not enough. The freedom that Soviet Jews seek goes beyond moving from one party-dominated society to another. The agenda of the American Jewish leadership must include aggressive support for electoral reform that will end the stultifying system of party supremacy.

As Mikhail Gorbachev told Erich Honecker of East Germany on Oct. 7, 1989, a month before the regime in East Berlin collapsed, "Life itself punishes those who delay."

The writer is chancellor of the Jewish Theological Seminary of America (Conservative). He contributed this comment to The New York Times.

Assembling The Nations Of Europe

By Flora Lewis

DUBLIN — Underneath, it is the old argument of nations: Are they for better or for worse? They organize societies, give an expression of cultural community and can (but don't necessarily) provide the basis for democracy. They also fight, mobilize peoples against each other and waste their substance in rivalry.

But the argument is overlaid with intricate issues as Europe moves into a new era. Like Charles de Gaulle a generation before her, Margaret Thatcher plants herself firmly in the nation-state, jealously watchful of sovereignty, l'Europe des patries.

And like de Gaulle, but in different style, she is an ingenious performer. She buckled a bit before the pressures to expand the vision at the European Community meeting here on Saturday. She had to, as did de Gaulle at times. But she veiled it with ringing defense of national identity and the monarchy, and with sardonic gibes.

"Maggie Saved the Queen" was the headline she subliminally suggested to the London press, as if her Community partners were asking the British to dissolve themselves in supranational soup. She could say she won, but she ducked the issue.

Sovereignty could be derogated when that suits, but she said the real way to face Europe's problems wasn't to pool capacity for decision but to focus on the "nitty gritty." The issue of the conference was how to deal with unification of Germany and the liberalizing states of Eastern Europe.

Approaches to economic and monetary union and to the undefined goal of political union were part of the agenda. These ideas have been around a long time, but they have a new urgency. A bigger, stronger Germany raises the question of national power again. Eastern Europe, freed from thralldom but beset with unprecedented problems of transformation, also revives the issue.

The risk of reverting to old balance-of-power calculations is taken seriously by the Continentals. That would be the 19th century, compounded by modern technology and the scars of disastrous wars.

The way to avoid it is to accept united policies, which means a process and institutions to force common decisions. Indeed, the Community is moving toward substantial concessions of national sovereignty to make sure that the old threats and conflicts cannot be renewed. If Britain refuses, which is unlikely despite Mrs. Thatcher's delays, the 11 other members will go ahead without it.

This is why the Europeans have now cast off their reservations and decided to support the rapid absorption of a united Germany in the Community.

They approved an impressively detailed plan that will assure close Community involvement at each step. The justification is to make sure that all EC rules are applied as East Germany is converted into a free economy, and that other members have fair access to West Germany's protégé. But in effect it provides a supervising mechanism so that Germany's partners will know just what is going on. It is a kind of control without humiliation.

The importance for Europe is highlighted when one considers what the situation would be if the EC did not exist to encompass the Germans. It reflects the original aim of Jean Monnet. Instead of trying to hold Germany down, an effort that brought thirst for revenge after World War I, he built structures to bring it into a partnership it would value too much to put at risk by threatening neighbors.

This month brings the 40th anniversary of the Schuman plan, named for the French foreign minister who changed Europe's history by launching Monnet's program. The success has been stunning. Of course nobody is suggesting, as Mrs. Thatcher pretends, that the nations of Europe should be wiped out. But Europe is creating machinery to manage its diversity in its nations' common interest without armed conflict.

The bigger problem now is the rest of the Continent, the Western states left outside the Community and those in the East breaking loose from Soviet hegemony. The faster the Community moves to consolidate, the better it can help them overcome their hang-ups of nationhood.

In the meantime, they must develop the new habits of cooperation in regional groupings — although, as Poland's Bronislaw Geremek said, "People aren't interested in alliances with poor neighbors; they want to be with the rich countries." Independence is a stirring idea, but it isn't enough anymore. Peace and prosperity are to be found on the road to unions.

The New York Times.

Correction

A line was dropped from Jim Hoagland's column "Israel: The Old Electoral System Needs Overhaul" (Opinion, April 30). The passage should read: The latest uproar over Jerusalem and the hurried implanting of new settlements in the West Bank and Gaza are clear signs of the creeping Brezhnevization of Israel's leadership. Staying in power becomes the only object of being in power. Immobility becomes strategy.

Nepal: Devolve the King's Powers to Parliament

By Kunda Dixit

MANILA — Recently in Nepal, democracy supporters poured into the streets as others had done not so long before in Eastern Europe. Banners and chants in the Himalayan kingdom were met initially with tear gas and truncheons, then by gunfire. Finally, King Birendra heeded demands for political reform.

He agreed to dismantle the structures of the party-less Panchayat system. By the end of 1990, he promised, Nepal would have its first multiparty elections in 32 years.

Using the royal plural, the king said: "We upheld the tradition of respecting the popular will." Actually, he stuck it out until the end and gave in to opposition demands only when the crowds became too angry to control.

Under pressure from hard-liners, the king had tried to procrastinate. In the end, it took 50 dead demonstrators in front of the royal palace in Katmandu on April 6 before he succumbed to the call for change.

Amid the euphoria, Nepalese ponder whether renewal of democracy will end economic stagnation or simply usher in an era of fractious politicking. It is an open question whether Western-style parliamentary democracy can bring political stability and economic development. As in the Philippines and Eastern Europe, Nepal's new interim government may find that fighting for democracy was easier and more edifying than making it work.

The last experiment with multiparty democracy in Nepal, in the 1950s, ended abruptly when King Birendra's father, Mahendra, dismissed an elected government and imprisoned the prime minister. King Mahendra (who died in 1972) banned parties, arguing that the resulting system would be "more suited to the soil." The decision actually had more to do with preserving his absolute powers.

The best way to prevent the king from reasserting authoritarian control is to devolve his powers to parliament. Democracy supporters want to retain the monarchy as a symbol of Nepalese nationhood, but they want the king to be subject to a new constitution. He should remain above politics, untarnished by governments that may rise and fall in future democratic party-based elections.

The writer, a Nepalese journalist, is Asian regional editor, based in Manila, for Inter Press Services. He contributed this comment to the International Herald Tribune.

Drug War in the Andes

Washington is finally about to release $230 million in aid money, much of it for military support, to help Andean governments combat cocaine. Is expanded military aid and advice the right way to address the drug problem in Latin America?

The answer is yes, with three conditions: Military aid should be funneled through civilian governments with due attention to supporting democracy; U.S. advisers have to abstain from any combat role; the aid has to be part of a broader strategy that includes economic development.

Some argue that the cocaine supply cannot be reduced enough to affect drug use on the street. And it is true that only a cut in supply large enough to force a dramatic increase in prices could make a difference. It is also true that Andean coca farmers feeling pressured in one area have plenty of opportunity to plant in another. But this futility theory is premature. The serious attempt of governments in Bolivia, Colombia and Peru to reduce cocaine production began only last year, and until now Washington has provided only minimal support.

Even so, there are some surprisingly positive results. Colombia's campaign against drug traffickers, followed by a less publicized campaign in Bolivia, broke up the production pipeline, making it harder for growers to sell their crop. As a result, the price for raw coca leaves plummeted; the hundred pounds that once brought $60 now sells for around $10, well below the $30 cost of production.

In Bolivia, the market collapse has impelled coca growers to sign up in impressive numbers for a program paying them to tear up coca and plant other crops. In all of 1989, crop substitution eliminated only 2,500 hectares of coca; so far this year the land eliminated exceeds 3,000. Meanwhile, U.S. drug officials note that the wholesale price of cocaine in American cities has increased since last September by 10 to 25 percent, while purity of cocaine on the street has decreased by 10 percent.

However modest, these are promising signs and reason to welcome the $230 million in new aid money. Yet the prospect of greater military aid still stirs concern about Vietnam-style escalation. Perspective is important: Yes, the new aid might double U.S. military advisers in the Andes, but only to about 400 for the three countries. And they would be there to support police, not combat operations.

The administration also has to be very careful about Peru at a time when the civilian government is in the process of changing hands. The aid ought to be given in a way that does not feed anxieties about supporting the Peruvian military.

Finally, and most important, there is a danger of too much reliance on military solutions. A policy of military pressure alone risks replacing narco-terrorism with severely disrupted economies. Washington officials dismiss such concerns by pointing to plans for $175 million in economic aid next fiscal year. But skeptics worry over the firmness of that commitment, given budget pressures.

Reassurance is important, both at home and in Latin America, and there is one obvious way to achieve it: Give Bolivia more money for its expanding crop substitution program right now. Such an investment in agriculture could also yield big dividends in credibility throughout the hemisphere.

— THE NEW YORK TIMES.

Objectives for a Reform of the Atlantic Alliance

By Gianni De Michelis
The writer is Italy's foreign minister.

NEW YORK — Given the transformations taking place in the world today, the role and functions of international institutions are being questioned. The Atlantic alliance is no exception. Three major developments in particular have ushered in a new era, in which the role of the alliance needs to be reassessed.

The Soviet Union, now concentrating on profound domestic changes, is on the verge of withdrawing most of its forces from Central Europe. The East European countries, which have recently regained their freedom, occupy a region between the West and the former enemy that, although not as large as the Atlantic, removes confrontation from the heart of Europe. And Germany is on the verge of fully recovering its unity and sovereignty.

In this emerging Europe, there is a radical reduction of the traditional threat from the Soviet Union. Above all, the prospect exists of establishing a single European security system through the Conference on Security and Cooperation (CSCE).

A majority of European Community members, supported by a recent formal statement by the French and West German leaders, are preparing a political union of the EC to complement its impending economic and monetary union. This plan envisions that by 1993 the EC would have common foreign and security policies. While the adoption of such policies by 1993 is still to be the subject of much debate, the plan further raises questions as to whether the Atlantic alliance will remain a necessity.

My own reply is a clear yes: The alliance is still necessary, and in some respects even more necessary, not only as a political instrument but also as a reliable military organization.

It is imperative that the sound relationship that has been forged between Western Europe and the United States be maintained.

Three times during this century the United States intervened to redress the balance of power in Europe. During the "Third World War," which has just come to an end, the United States, as well as Canada, helped to reduce the risk of a further shrinking of the democratic area between Central Europe and the Atlantic.

If the United States and Canada today, thanks to the CSCE, are part of a political balance from San Francisco to Vladivostok, we must be grateful to the establishment of a trans-Atlantic link via the alliance.

The indispensable presence of the United States and Canada, however, is likely to be reduced in proportion to the gradual disappearance of the traditional Soviet threat. Any reduction should take into account the need to guarantee the operation of mechanisms that can provide reinforcements should a new threat emerge. The numbers of U.S. and Canadian troops should not be reduced below a technical threshold that will safeguard a reliable inter-Atlantic relationship.

The presence of the United States and Canada within a reformed Atlantic alliance can help to prevent possible re-nationalization of European security structures.

I am also in favor of maintaining the alliance because of its growing political role as an instrument of consultation among Western countries on security and arms control issues. This presents opportunities for a wider scope of agreements on disarmament and can lead to new security structures, increased confidence and better relations with the East bloc. To this end, the alliance will have to consider conventional disarmament objectives as well as reach some consensus on the minimum level of nuclear deterrence that will be needed. This will also encourage the development of more advanced verification systems.

Finally, the alliance can play an important role in the establishment of a single, pan-European security system. Within such a system, the enemy would not necessarily be identified in advance. The coming into being of a pan-European security system can occur step by step through further arms reductions, the restructuring and repositioning of forces, and the involvement of all 35 CSCE countries in the dialogue on these steps. Such a system would involve the improvement of verification and control systems, the creation of mechanisms for crisis resolution, and the transparency of military forces.

The Atlantic alliance could play a role in security similar to the one the EC will play in the economic and political fields. It would be empowered to sign agreements with individual Warsaw Pact countries.

The structure of the single system will need to be based on some sort of clear understanding with the Soviet Union. As for the Warsaw Pact, even if we are not calling for its dissolution, it certainly cannot play as cohesive a role as the alliance. Nor can we allow its weakening to be linked to a weakening of the alliance.

A unified Germany should remain in the alliance, but it must provide the necessary external guarantees: unambiguous acknowledgment of the present western Polish border, and the safeguarding of Soviet security requirements. The alliance should be so shortsighted as to try to outmaneuver a country that it no longer considers to be a threat. As to possible compromises, including the temporary presence of Soviet troops on the territory of a unified Germany, it is important to be extremely open.

With the reduction of U.S. and Canadian troops, there will be a restructuring and a repositioning of forces within Europe. Concentration of troops and weapons along the border between the two Germanys no longer fits the changed strategic situation. Their distribution over the whole of the alliance's territory will have to be considered, along with a review of the tactical nuclear arsenal.

The alliance should consider a redistribution of responsibilities among its members, highlighting the European component. This would entail both further integration of the defense structures of individual countries within Europe, and a different, more participatory role for France. It is interesting to note that President François Mitterrand deems it necessary to create a defense system which is not strictly European but which would have a well-defined European axis. Increased cohesion of the European defense system complements the political cohesion that accompanies the European unification process.

The principle of defense integration must not be sacrificed, but rather extended. The presence of the United States within an alliance tailored to the new situation would constitute an additional element of cohesion, redressing the balance in relations among European countries.

The presence of the United States and Canada can help to avert a situation in which each European country seeks preferential allies. It can help to prevent possible re-nationalization of European security structures. And it could help to temper Soviet ambitions.

The dust raised by the walls and curtains collapsing in Central Europe is only now beginning to settle. A reformed alliance is all the more necessary to set new balances before the end of the century and to help minimize the risk of "wars of succession" once the previous order disappears.

The reform of the alliance must be undertaken soon, in order to synchronize it with the unification of Germany and the revision of the CSCE process. The first opportunity to tackle this problem will be the special NATO ministerial meeting this week in Brussels.

International Herald Tribune.

Other Comment

What Comes After Détente?

Could détente lead the world to war? As the Soviet Union's ideological and military might shrinks so that its economy might grow, a vacuum appears in its traditional spheres of influence. The United States is naturally reluctant to imperil this process by moving too fast and too far to fill that vacuum, however eager many of the reborn East Europeans may be to embrace American consumer values. Lithuania is a test case. Even those groups inside the Soviet Union that advocate full democracy and Western-style economics are today divided on the crisis, concerned that Lithuania's secession was precipitious and could strengthen the hand of hard-liners.

One answer in Europe is to enlarge NATO. Another is to breathe fresh life into the existing multilateral organizations. Without the debilitating necessity for the Soviet Union, its allies and satellites — and to a lesser extent for the United States also — to use the United Nations as an ideological arena, that body may develop into a considerably more useful forum for settling international and interethnic dilemmas.

And the International Monetary Fund, which is on the verge of developing a constituency truly representative of the world's economies, could play a key role with the World Bank in providing capital and expertise to assist centrally planned economies to make the transition to market orientation. As Western Europe was rebuilt, with American funds, following World War II, so Eastern Europe may follow, chiefly with Japanese funds.

— The Australian Financial Review (Sydney).

100, 75 AND 50 YEARS AGO

1890: For an 8-Hour Day

NEW YORK — The representatives of some sixty unions marched to Union square to-day [May 1] to inaugurate a fight for an eight hour day. The parade was rather one of triumph, as many employers have yielded to the men's demands. The real battle will not commence until Monday [May 5], when the Amalgamated Society and United Brotherhood of Carpenters and Joiners will strike in all shops where the eight hour day has not been granted.

1915: Warning to Ships

LONDON — A New York despatch says a number of prominent newspapers to-day [May 1] publish an advertisement inserted by the German Embassy warning travellers crossing the Atlantic in ships owned by Great Britain and the Allies that they do so at their own risk, as all such vessels are likely to be destroyed. State Department officials declare the notice in no way relieves Germany of responsibility in the matter of injuring American citizens. Germany will be held to strict account for any outrage on the part of her warships.

1940: Leak in Blockade

LONDON — The United States has been the source of many raw materials reaching Germany through Vladivostok, the Soviet port on the Pacific, Ronald H. Cross, British Minister of Economic Warfare, said today [April 30]. "Since the outbreak of the war, a number of important commodities, copper, rubber, tin and other materials, have been imported into Vladivostok in quantities which make it virtually certain that a good part at least is going to Germany. We wonder sometimes how far it is generally realized in America that important supplies of these war materials have reached Germany that way." The Minister described the Russian port as being an "undeniably serious leak" in the Allied blockade of Germany.

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OPINION

A Deal for Baltic Independence

By William G. Hyland

WASHINGTON — It is high time to turn from threats and accusations to a settlement of the Lithuanian crisis before Lithuania is strangled and civil war erupts. A compromise is still possible, but only if each of the major participants, including the United States, is willing to make significant concessions.

The Baltic republics would be free. The Soviet Union would be reassured that its security would be protected. The West would accept the U.S.S.R. as a legitimate union.

The Kohl-Mitterrand proposal to freeze implementation of Lithuanian independence goes too far and is too narrow in scope. A better starting point would be to settle the future of all three Baltic republics and establish their long-term relationship to the Soviet Union.

First, Mikhail Gorbachev has to perform the most difficult task — to change his mind. He has to recognize that the confrontation is not a constitutional crisis. The simple truth is that the annexation of the three Baltic states was a criminal act by Stalin of the same nature as the massacre of Katyn forest, which the Soviet government has now admitted after nearly 50 years. The Supreme Soviet votes of August 1940 accepting the "demand" of Lithuania, Latvia and Estonia to be annexed was as phony as the show trials of the 1930s.

Surely Mr. Gorbachev knows that. A quick reading of the Soviet archives would reveal the truth. (Stalin's representative in Lithuania was one Vladimir G. Dekanozov, who everyone knows was Lavrenti Beria's aide, and who was tried and executed in December 1953.) Immediately after the annexation, thousands and thousands were deported to the gulag (including Menachem Begin).

This is why even during World War II, when the United States and Britain had an interest in placating Stalin, they refused to recognize his brutal suppression of these three countries, even though Eastern Poland was conceded to the U.S.S.R.

Only one argument holds up after 50 years. After the fall of France in May 1940, Stalin feared that Hitler would turn eastward and attack Russia through the Baltic to Leningrad. The Soviets still have some legitimate security interests in this area, but those can easily be taken into account.

A settlement can be achieved by returning to the status quo ante. The three Baltic republics would be restored to their independent status, simply by the Supreme Soviet repudiating the illegal vote of its predecessor of August 1940. This would end Mr. Gorbachev's constitutional crisis.

In this case, the Baltic republics would also have to make concessions. Instead of complaining about another Munich, they would be better advised to put forward a program that Mr. Gorbachev could regard as negotiable.

They should offer to revert to the status of 1939, but would agree to the essence of the treaties of September-October 1939 with the Soviet Union that permitted a defined number of Soviet troops to be stationed in all three areas and gave the U.S.S.R. naval bases. Even though these treaties were negotiated under extreme duress and were unjust, they were accepted by the legitimate governments of the three republics. They are a basis for defining the Soviet role in the area.

Their revival would also have the virtue of solving the major remaining territorial issue — the return of Vilnius to Lithuania was incorporated in the 1939 agreements.

This leaves the question of Soviet commercial access to the major Baltic ports. This should be conceded, but with details to be negotiated. Moreover, a corridor through Lithuania would have to be conceded in order for the Soviets to reach Kaliningrad.

The three independent Baltic republics would declare their military neutrality, and this would be guaranteed by all members of the Conference on Security and Cooperation in Europe.

Finally, Russian citizens and their families in the three republics who were forced to move there should have the opportunity to leave. The costs of moving could be defrayed by an international group, possibly the United Nations.

The Baltic republics should announce these concessions to take effect immediately upon the vote of the Supreme Soviet nullifying the 1940 annexation.

This still leaves the most vexing issues: What of Mr. Gorbachev's fear of the impact on the other constituent republics? Will the freedom of the Baltic republics not unleash a new round of crises elsewhere in the U.S.S.R.? This is where the United States and other outside powers come in.

In August 1920, during the Soviet civil war, the United States took the position that sovereignty over the territory of the old Russian empire should be protected during the period of revolutionary turmoil. This was set forth in a diplomatic note by the Secretary of State, Bainbridge Colby. It was subsequently set aside, however, when the United States recognized the independence of Finland and the Baltic countries. But it would not be a bad principle to apply in this new era of revolutionary turmoil.

In other words, after Baltic independence the United States would not challenge the territorial integrity of the Soviet Union or support secession movements, subject — and this is key — to the new constitutional provisions now in effect inside the U.S.S.R. and Mr. Gorbachev's promise to develop a new, more liberal federation. The principle of secession would remain, but the conditions would be decided by the new Soviet parliamentary bodies, which were elected in as free elections as we are likely to see in the Soviet Union.

This would be a major American concession and would be highly controversial, but it serves two American interests: freedom for the Baltic republics, and a limit on the dangers arising out of the collapse of the Russian empire.

To sum up: The Baltic republics would be free, but Soviet troops would remain for some agreed interim; the Soviet Union would be reassured that its security would be protected, and the European powers and the United States would accept the U.S.S.R. as a legitimate union, subject to the laws of its elected legislature.

The writer, editor of Foreign Affairs magazine, is a former CIA official and was deputy national security adviser to President Gerald Ford. He contributed this comment to The Washington Post.

Be Reasonable, Undo the Fourth of July

By William Safire

The following message, dated August 1776, has somewhat anachronistically been released to the world media. It was addressed to colonials in America who had just issued their provocative and untimely declaration of independence.

TO the Secessionary Colonists in America: Your friends and supporters from afar send their warm good wishes in your time of national trial and personal suffering.

We sympathize with your desire to be free and independent. We find much to agree with in your presentation of facts to a candid world.

However, the action taken by your representatives in congress assembled on July 4 is precipitate and unwise.

If you have, as you suggest, "a decent Respect to the Opinions of Mankind," you will rescind or revoke this unilateral declaration at once, or at the very least suspend it in such a way as to make it meaningless.

Please understand that we take no position on the merits of your case for independency. Certainly the grievances you listed in great detail — which you see as causes that impelled you to Separation — touch the heart. (However, one must remember that you have spent many years in the past under British rule.) Our message to you is purely practical.

Your timing is poorly chosen. Seventeen seventy-six is the worst possible year in which to declare independence. Although King George III has his shortcomings in the economic sphere, your "tea party" in Boston Harbor was a seasationalist and unfair derogation of his tax policy. He is a force for stability and order at a terribly turbulent time.

We happen to know that his court at St. James's Palace contains more than a few "hard linings." The redcoat generals are restive. If these sinister forces gain the upper hand in the struggle for power, latent English national feelings will be ignited and the full force of the empire's irritation will be directed against your legitimate aspirations.

If you fail to undeclare your declaration of July 4, you will find yourself bereft of allies. Moral support feeds no hungry bellies. Do not be misled by the passionate words of the Marquis de Lafayette and other foreign provocateurs; they are trying to play "the American card" against the British, supposedly on behalf of France. In the end, you will be forced to stand alone.

Do you have any idea what it is like to be alone in the world, with not only imperial power but the Opinion of Mankind against you? Do you know how cold the winter gets in Valley Forge? What sort of Thanksgiving can you look forward to after fuel and food supplies have been cut off by Lord Cornwallis, and helpful Hessians take the field? Think what your untimely intransigence is doing to your own people.

Think of others, too. If George III lets the American colonies go, what of the rest of the Empire? Indeed — and here it gets deeply troubling — what of Scotland and Wales and Ireland? Do you suppose, if you go your merry way, they will ever form a "great" Britain?

If the colonies go, what about Europe? The spirit of independency is contagious; if you can presume to act "by the authority of the good people of these Colonies," who is to say that the selfish determination of this mobocracy will not have repercussions in France and elsewhere?

Therefore, we urge you to be reasonable. George III, as revisionists will surely show centuries hence, is not crazy; he has good instincts that must be nourished. Help him help you. Do not embarrass him or incite him to violence, which would embarrass us.

Wait and see. In five years, if you ask Parliament for permission to be independent, two-thirds might vote to set you free, against England's interests.

(If George is still there; if Parliament is there. Should some other force be in charge, you will have lost your last chance, but you will have made a glorious contribution toward stability.)

Toujours la stabilité!

Do not be selfish, American colonials — overturn the hasty decision of July 4.

Let your proudly pragmatic descendants celebrate instead August 17, 1776 — the day coolheaded American patriots undeclared independence.

By temporarily submitting your stiff necks to the yoke of oppression; by subordinating nationalist temptations to the greater good of global expediency; by passing a ringing Resolution of Second Thoughts, you will induce pragmatists everywhere to pledge to you our lives, our Fortunes and our sacred Honor.

The New York Times.

Waiting for Beckett

By Richard Birchall

PARIS — The idea was quite simple: Gather some of his best known performers and collaborators and throw an evening of readings in honor of the recently deceased Samuel Beckett. Advertise the event as free of charge and open to the public, and hope that enough people would turn out in memory of the man.

The execution of this "Hommage à Beckett" was not quite as simple as the idea, for with people arriving several hours in advance, by the time the doors were ready to be opened at the Centre Georges Pompidou a crowd numbering close to 500 was waiting in line.

MEANWHILE

This waiting, taken with that mixture of equanimity and apprehension found in the most well-known of Beckett's works, soon led to frustration when only a fraction of those in line were allowed to enter the lecture hall. The other places, it seemed, had been previously distributed to a host of selected guests furnished in advance with invitations.

First there were words between those at the front of the line and the organizers. Next came the name-calling, followed by a rush for the door, which was quickly closed and locked from the inside by several guards. Attempts to sneak in those remaining guests with tickets were abandoned when the crowd tried to wrench open the doors, promising a storming of the hall if given a chance.

The routine charges of "fascism" and "elitism" were soon followed by more revolutionary threats, such as "We'll break down the walls if we have to" or "We'll stay here all night and prevent them from leaving." The suggestion that the crowd "shout loud enough so that they won't be able to hear" brought on a rather soccer-like chant of "Be-ckett, Be-ckett."

When this had died down, those at the front of this somewhat literary crowd were to be found intellectualizing the matter. "Listen," said a well-dressed man displaying his invitation, "I'm no philosopher, but if Beckett could see us tonight I think he'd say that we're closer to his thing than all those people inside." These words had only to be spoken to give everything the crowd did or said a Beckettian significance. "Should we stay or should we go?" someone asked. "Will they eventually come, or will they leave us here?" ventured another.

The absurdity was brought to a climax when two uniformed guards arrived and were surrounded by the still thronging crowd as they tried to open what seemed to be another door into the lecture hall. As the crowd prepared to push, the doors opened and revealed a storage closet.

Several lessons were no doubt to be had from the events of the evening.

One: The French take their Beckett seriously — and to many he is *their* Beckett, having gravitated over the years away from his native Ireland, a country that never seems to have much trouble "emigrating" its writers and then disowning them.

Two: Soon after his burial on Dec. 26, Beckett is very much dead. Who could imagine the same scene being created a year ago? One might read into the evening's hysteria an unconscious recognition of that absence.

Very much dead, and yet, if we are to go by the actions of those who found themselves in a situation such as the writer spent his years describing, very much alive, too.

International Herald Tribune.

LETTERS TO THE EDITOR

The Messenger Is Wrong

Richard N. Cooper of Harvard University, defending the IMF's policies in the Third World, states that "a country living beyond its means sooner or later has no alternative to cutting large budget deficits, tightening credit and perhaps devaluing its currency." (*"Don't Blame the Messenger," Letters, April 25.*)

Surely he cannot ignore the fact that capital inflows or financial assistance make it possible for a country to avoid such restrictive measures. Indeed, what does "living beyond its means" mean? Is not a poor mother who receives welfare funds to keep her and her children from starving living beyond her means? Would he want to slash the aid given to her?

Anyone disposed to support the IMF's restrictive policies should consider the article by Professor Ebere Onwudiwe of Central State University in Xenia, Ohio, (*"For Africans There Has to Be a Better Way," Opinion, April 23*) about how people in Nigeria have suffered because — in order to appease the IMF — the government has reduced its spending on health, education and the creation of employment so as to enable the country to send some $3 billion to its foreign creditors in 1990.

Certainly, greater financial discipline is required of the Third World countries, but not at the expense of their poor underclasses. Certainly also, the resources of the IMF should be increased, as Professor Cooper suggests. But at the same time its dogmatic, restrictionist commands to the heavily indebted underdeveloped countries need to be fundamentally revised. These countries should be advised and helped to increase the living standards of their impoverished populations and to give less emphasis to debt repayments, which depress these standards.

MELVIN FAGEN.
Geneva.

Read All About It All

"A Success for Space Telescope" (*April 26*) contained this passing mention: "Astronomers predict that Hubble observations should enable them to learn the age and size of the universe, and possibly its fate." Greek philosophers, Babylonian astronomers, Galileo and Copernicus must be doing somersaults in their graves. One of the two great debates of the last 3,000 years is about to come to an end. I will continue to read closely lest I miss an article revealing the nature of God.

JOHN BRITTON.
New York.

GENERAL NEWS

Treasury Almost Empty, Chamorro Says

By Mark A. Uhlig
New York Times Service

MANAGUA — The new government has found Nicaragua's national treasury almost empty after 10 years of Sandinista rule and deep economic decline, President Violeta Barrios de Chamorro says.

Mrs. Chamorro said the departing Sandinista National Liberation Front, which left office April 25, left her government with only $3 million in liquid hard-currency reserves.

That is almost identical to the amount left by Anastasio Somoza Debayle when he was overthrown by the Sandinista revolution in July 1979.

But Francisco Mayorga Balladares, Mrs. Chamorro's chief economic adviser and the new president of Nicaragua's Central Bank, said that the new government's first detailed look at the nation's books showed a country with almost no financial resources.

"The situation is one of total bankruptcy," said Mr. Mayorga, who calls the Sandinista legacy sabotage.

Mr. Mayorga said Sandinista leaders had delayed crucial realignments of the Nicaraguan currency in their final months of office, forcing the new government to undertake a drastic 50 percent devaluation of the Nicaraguan cordoba against the American dollar just two days after taking office.

The devaluation had sent a tremor of fear through the Nicaraguan economy. Nicaragua's national debt amounts to $11 billion.

But Mr. Mayorga stressed that the new government still expected to see improvement in economic conditions by the end of the current agricultural cycle.

Nicaraguan farmers are preparing to plant essential food crops, such as black beans, for harvest in late July and early August.

In her first official statement to reporters since taking office, Mrs. Chamorro also responded on Monday to the controversy that has surrounded her decision to keep a leader of the Sandinista government, General Humberto Ortega Saavedra, as her highest military commander.

"We have made it very clear that his stay in the army command will be temporary," she said.

But as in previous public statements, the new president did not fix a date for General Ortega's departure. Opponents of the decision have said this step would avoid a possible showdown over his tenure and let her end his participation in the government without appearing to fire him outright.

The decision to keep General Ortega, brother of President Daniel Ortega Saavedra, has provoked sharp dispute within Mrs. Chamorro's 14-party election coalition, and from contra leaders who have said their troops would not disarm as scheduled under recent accords unless General Ortega relinquished power.

Panama-Nicaragua Aid Clears a Senate Hurdle

Washington Post Service

WASHINGTON — Compromise action by the Senate, during a visit here by President Guillermo Endara of Panama, has broken an impasse that blocked approval of $720 million in economic aid to Panama and Nicaragua.

The compromise occurred a few hours after President George Bush, at a meeting with Mr. Endara, said he was embarrassed and frustrated by Congress's delay in acting on his request for emergency aid for the two Central American countries.

The Senate compromise allowed allow the District of Columbia to use local funds to finance abortions for poor women and permitted imposition of the death penalty for drug-related murders in Washington. The compromise cleared the way for the Central American aid to be approved by the Senate and sent to a House-Senate conference.

The proposals for Washington, which were approved by voice vote after hours of behind-the-scenes negotiations, will be resolved in conference with the House, which did not include the proposals in its version of the legislation.

Speaking of the Panama-Nicaragua aid package at the White House earlier Monday, Mr. Bush said, "It's embarrassing." He said he had asked the Senate and the House to move on the legislation more than a month ago.

Mr. Bush had requested $500 million in economic aid for Panama and $300 million for Nicaragua. The House approved his request for Nicaragua but cut the Panama aid to $420 million as part of a $3.4-billion supplemental spending bill for the rest of this fiscal year.

During its weeklong deliberation on the measure, the Senate fended off several attempts to further reduce the allocation for Panama, including one that would have transferred $30 million designated for revival of the country's tourism industry to use in investigating and prosecuting cases arising from the U.S. savings and loan scandal.

■ **Lawyers Distressed**

Lawyers for Mr. Noriega are seeking to drop their client, saying the U.S. government has refused to let him pay his bills.

Frank Rubino and his three colleagues filed a motion with a U.S. federal judge asking that they be allowed to withdraw from the drug trafficking case, which is due to go to court early next year.

Mr. Rubino said that U.S. authorities had frozen all of Mr. Noriega's assets, which he said amounted to roughly $50 million to $60 million, and had refused to free even a small portion to pay for legal and investigative fees.

Jerome Delay/Agence France-Presse

Presidents Bush and Endara together in Washington.

Argentines Win Damages From Ex-General

The Associated Press

SAN FRANCISCO — A former Argentine general accused of ordering 39 murders has been ordered to pay damages totaling $89 million in three lawsuits.

In a ruling made public Monday, U.S. District Judge Lowell Jensen ordered Carlos Guillermo Suárez Mason, who was extradited to Argentina in 1988, to pay $8 million to two Argentines whose relatives were killed in the 1970s. The plaintiffs are now residents of Virginia.

Two other awards were $21 million to a lawyer who was tortured in prison and $60 million to relatives of three men who were killed. Mr. Suárez Mason commanded the 1st Army Corps in Buenos Aires under the military government from 1976 to 1979.

As Mr. Suárez Mason, who was arrested in a San Francisco suburb in 1987, awaited extradition, several Argentines living in the United States sued him. U.S. law allows suits for human rights violations committed by a foreigner who has come under U.S. jurisdiction.

VIEWPOINT

The Commerzbank report on German business and finance

Does German unification mean higher inflation?

The West German Government's plan for a monetary union with East Germany has triggered fears, above all in other countries, about the D-mark's internal and external stability. As a result, German bond yields soared, even rising briefly to over 9%. Are such fears justified?

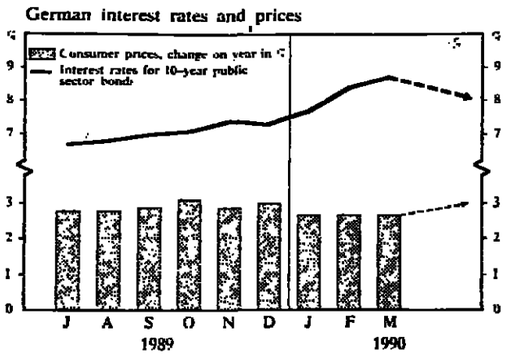
Undoubtedly, it will be very difficult to merge the East German economy with West Germany's. For one thing, no historical precedent exists for the required switch from a command to a market economy. For another, East Germans' standard of living, in terms of both the goods available to them and the quality of the environment, is substantially lower than that of West Germans.

Although public debate focuses on monetary union, the fundamental problem can only be solved in the real economy: how can the supply of goods in East Germany be improved in terms of both quality and quantity so as to avoid economic and political instability?

Possible solutions

Basically, there are three ways of doing this, and each would have different economic consequences for Germany and Europe. The best way would be to increase output. But at present this is difficult in West Germany given its very high capacity utilization level and its shortage of skilled workers. And it is not really feasible in East Germany either, which must restructure its entire economy along free-market lines – a daunting task – before it can hope to increase output significantly. Consequently, this approach alone cannot solve the problem, at least not in the short run.

German interest rates and prices



The second possibility would be to reduce domestic demand in West Germany by squeezing private and government consumption. However, cuts in capital spending would be unwise as they would mean less production capacity in the future, rendering the first approach unworkable in the medium term as well. Private consumption would have to be curbed through tax increases, which – even if only temporary – would be unpopular to say the least, coming as they would in the wake of a major tax reform.

Finally, the third method would be to reduce demand for German exports and, at the same time, rely to a greater extent on imports to meet domestic demand. This approach has much to recommend it: the structural imbalance in West Germany's external trade would be reduced and its European partners would reap direct economic benefits.

If higher inflation is ruled out as a means of achieving a reorientation within the West German economy – as it obviously must be – then this shift can only be brought about by a real-term appreciation of the D-mark. However, this should happen automatically if the current fears that German monetary union will fuel inflation prove to be groundless and East Germany is able to offer attractive investment opportunities. Consequently, nothing should be done at the European level which would prevent the D-mark from appreciating. However, there is no need for the process of European monetary integration to come to a standstill. Indeed, important problems have to be addressed before the second stage of the Delors Plan can be tackled.

Initially, though, the introduction of the West German currency in East Germany will be little more than a technical move which, in the short run, may make it harder for the Bundesbank to steer a stability-oriented course. In itself, the switch from the Ost-mark to the D-mark will not necessarily be a major source of inflationary pressure. The inflation rate in the years ahead will be determined primarily by how well the economy succeeds in increasing the supply of goods in East Germany and by what happens on the wage front. At present, there is no reason to assume that inflation will be notably higher in the future than it has been in recent years; seen in this light, the sharp rise in interest rates surely represents an overreaction on the part of the capital markets.

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STAGE/ENTERTAINMENT

LONDON THEATER

Nice Music Can't Rescue Dismal 'King'

By Sheridan Morley
International Herald Tribune

Gary Smith

Simon Estes in "King."

LONDON — If you can imagine a production of "Evita" organized and sponsored and cast by the Argentine National Tourist Board, you will have some idea of the problems facing "King," a new musical about the Reverend Dr. Martin Luther King at the Piccadilly.

Its backstage troubles have for months made rather more news and great drama than anything that ever happens on stage. Directors and lyricists have come and gone, the support and blessing of King's widow has at various times been offered and withheld, and the production has even been accused of a kind of reverse racism whereby those considered insufficiently black in skin or beliefs were asked to leave the stage.

So what, after all of that, are we left with?

Little more, alas, than a guided tour of some Memphis waxwork museum in which King is portrayed as a one-dimensional hero who, according to this version of his life, spent most of his time standing around in profile waiting for the man from Mount Rushmore to arrive with the chisel.

It is not that a good musical about King would have to be a hostile one, or that it need dwell unduly on his sexual encounters or his politics; but it would need to suggest, if it was to sustain its audience's interest, that here was a man of contradictions and complexities for which precise reason it would be worth our while as an audience to get involved in finding out what kind of a man he was, and therefore why he so much mattered to so many.

Nobody backstage seems to have understood that "King" needs a book as well as music and lyrics. Plotting and characterization are therefore almost nonexistent. Even the figures of the Kings' principal aides are one-dimensional stereotypes and nowhere in a long three hours is there any real attempt at drama.

Judged purely as a soundtrack recording, "King" does sound immensely impressive. A score by Richard Blackford, Maya Angelou and Lonne Elder, part-black spiritual and part traditional Broadway, is impressively sung by the opera stars Simon Estes and Cynthia Haymon. Through no fault of their own, they make one wish all night that they were back in "Porgy and Bess," where somebody understood that a musical also had to be a drama.

The production is currently credited to Clarke Peters, though it is widely understood to have been supervised in its last stages by John Caird.

Meanwhile Timothy O'Brien's massive platform set sometimes tears itself in half to symbolize, presumably, the gap between blacks and whites, Southern rednecks and black leaders, but there again, once you have seen a set divide and come together a couple of times there is not a lot more it has to tell you.

Long on spectacular crowd scenes, but short in involvement or development, "King" has a stage army on permanent march in search of a plot and a purpose.

The National Theatre welcomed the return to Britain of the actor John Neville, after a quarter-century of building and running theaters in Canada from Ontario to Edmonton, Alberta, by casting him as Sir Peter Teazle in a production of "The School For Scandal" by Peter Wood. It quite superbly returns us to the golden time of the early Olivier administration of the middle 1960s, when the good lord himself and Maggie Smith and others would regularly appear under Wood's direction in Restoration classics.

Against sets by Jonn Gunter covered in newsprint — reminding us that Sheridan's world was one of perpetual gossip and rumor and critical attack — Neville leads an immensely strong cast (Denis Quilley, Jane Asher, Prunella Scales, Alfred Lynch) through the complexities of a financial and social satire that can only work if, from the very first performance, the company manages to create the impression that they have been living in those rooms and with those people for several decades.

That is exactly what is achieved here, in a staging of rare confidence and cohesion.

Michael Crawford Leaves 'Phantom'

Compiled by Our Staff From Dispatches

LOS ANGELES — Scalpers were asking $1,000 and some fans paid up to $27,500 for a pair of tickets to benefit AIDS research to see Tony winner Michael Crawford bow out as the "Phantom of the Opera" Sunday after more than 1,000 performances and 3½ years in the musical.

Crawford will put on the phantom's mask again in September, when filming starts on a version co-starring Sarah Brightman, who originated the role of Christine in the musical, written by her husband, Andrew Lloyd Webber.

Russians Point Their Cameras at the Gulag

By Joan Dupont

MOSCOW — It is supposed to be Siberia, but the winter landscape has thawed around Mosfilm Studios, where extras in convict rags are lolling in the sun. They are young men from the army, and old men with gray metal teeth. Some have lived through the story they are acting in.

"These people have been dying to make this film for so long," says Anthony Andrews, the British actor who has the lead in "Lost in Siberia," the first film from the Soviet Union on Stalin's work camps. "We don't realize what a universal problem it was, how many went, how few returned."

OFF STAGE

In January, Andrews came to visit the set in Yaroslavl, 260 miles (415 kilometers) northeast of Moscow, to decide whether he wanted a job that entailed two languages and less money than he usually makes.

"I saw the reconstitution of the camp in the snow, at 12 degrees below zero. It was very, very desolate and lonely, and nothing but Russian being spoken. I decided to do it," he says.

Since Sergei Eisenstein's 1925 "Potemkin," Mosfilm has had a penchant for historical themes, and now glasnost has opened the way to joint ventures with the West on the painful near-past.

Jeanne Moreau is also in Moscow, for "Anna Karamatzov," the story of a woman who returns to her native village after years in the camps; when the film ran into budget snags, Moreau decided to forgo her salary and participate in the production. This summer, Andrei Konchalovsky returns to Russia to make "The Inner Circle," based on Stalin's personal movie projectionist and his gradual discovery of the horrors of the regime.

Anthony Andrews in action on the set of "Lost in Siberia."

"LOST in Siberia" began in the head of Alexander Mitta, an earthy, ironic director of popular films who likes to compare himself to Woody Allen. "I am not a hero of perestroika," he says, "but we had no visual image of this world of the camps and I wanted to film it for everybody, for the schoolchildren."

Mitta's entire family was deported — "Stalin killed six, and Hitler added two more," he says. With his collaborator, the screenwriter Valery Fried, who survived 10 years of internment, they wove their experiences with other stories from the camps into a script. But although Mosfilm is the biggest studio in the Soviet Union, with a production slate of 70 films a year, the venture needed more than rubles. So the team turned to a friend, a businessman, Ben Brahms, who funded the film alone, investing 2 million rubles and £3 million from his computer company to create Spectator Entertainment, a London-based production company.

Shooting, begun in February, winds up in June, for release early in 1991. Filming two versions, in English and Russian, complicates matters, but Brahms is hoping for rewards on the international market. Mitta, who speaks no English, chose Andrews — the only non-Russian member of the cast — from videos of his films. "He looked strong and he could do comedy. To shoot in Russia, you have to be strong," he says.

With his shaved head and gaunt face the actor blends in with the "convicts." There is no trace of his TV characters: charming Sebastian Flyte of "Brideshead Revisited," foppish Sir Percy Blakeney of "The Scarlet Pimpernel." He sits in a dusty dressing room munching on a cracker and says he has lost so much weight for the part that he is scared to get on the scales. He staves off depression with periodic home leaves.

"These are wonderful people I'm working with, warm, generous, and loving, less alien than some members of the European Community, but the language barrier makes isolation inevitable," he admits.

He plays Andrei Miller, a British archaeologist on a dig in Iran who in a case of mistaken identity is arrested as a spy and sent to a Siberian labor camp. "Andrei becomes a zombie at first, he doesn't understand what's happening to him. Then, he claws back at life."

The studio set is an open barn with no red light or door to keep out noise. The camera makes such a racket that sound has to be dubbed after filming. About 650 extras are stacked in the log barracks like so much cattle. Mitta is shouting through a bullhorn — there are no walkie-talkies — haranguing the men to jeer at this newcomer, Andrei the Englishman.

IN the midst of the chaos, Andrews is rehearsing his Russian text phonetically under the tutelage of Arina Voronina, the dialogue coach. Preparing for a violent confrontation with another prisoner, he goes into a huddle with Mitta. "I'm the kind of actor," Andrews says, "who needs to be part of the decision-making." And Mitta is the kind of director who improvises and changes his mind at the last minute, deciding to shoot straight-on, to get a claustrophobic feeling. Voronina feeds Andrews his lines, gets him cursing. "That's Russian he's speaking!" she exults. "Fantastic!" says Mitta.

Everybody on the film works overtime and at several jobs. Andrews calls Voronina his guardian angel: She follows him around with a cushion for his back, watches over his diet, and interprets right and left. Nancy Mannigham, who coaches the Russian actors in English, is also on constant call. "Usually, I have months to prepare a cast, but these actors never stop working — at night, after a day's shooting, they act in the theater! I catch them when I can."

James Brabazon, the British author of the English adaptation, hovers, ready to fix dialogue to make it match the Russian: "The Russian temperament is expressive — histrionics are natural to them," he explains. "Their language is full of polysyllables — they need those long rolling sentences to be expressive, and we use short sharp sentences. Although we have two totally different traditions that have not been in touch with each other, it's astonishing how much common ground there is."

But there is a tug of war going on: Should English or Russian be the language of the international version? Mitta says it must be Russian, subtitled for the rest of the world. But Brahms, who is announcing a slate of six films at Cannes, needs distribution on the English-language market.

There is also a difference of opinion about the film's ending: Should it be sad, with Andrei waking up from a dream of freedom in his cell, or happy, with the Englishman back home, waking from a nightmare about his Siberian prison? The Soviets, leery of happy endings, may be overruled by their partners with an eye on the West.

Joan Dupont is a free-lance writer based in Paris.

An End, After 6,137 Performances

By Mervyn Rothstein
New York Times Service

NEW YORK — In an evening filled with joy and sadness, nostalgia and celebration, a capacity audience of 1,500 said farewell to "A Chorus Line" as the curtain came down at the Shubert Theater for the 6,137th and final time on the longest-running show in Broadway history.

"I'm a little numb," said Joseph Papp, the head of the New York Shakespeare Festival, just before the last show began Saturday night. The Shakespeare Festival produced the Michael Bennett musical about the lives, hopes and fears of 17 theater dancers who compete for eight spots in a Broadway musical.

"The emotion is very thick all over," Papp said. "The actors backstage are a little hysterical." Outside the theater, crowds had started forming before 7 P.M., eager to be even a small part of Broadway history. Above the marquee, the electric sign that had wound around the theater for more than a decade offered a line from "What I Did for Love," one of the show's hit songs: "Kiss today goodbye and point me toward tomorrow."

It was on July 25, 1975, that "A Chorus Line" gave its first performance at the Shubert. Between that night and Saturday, 648 shows opened on Broadway. Most of them went dark long ago.

Inside the theater, arriving audience members were greeted by a large sign, suspended from the flies above the stage, on which the number 6,137 was illuminated in white neon. The audience members milled around, friends greeting friends, television camera whirring, members of the show's original cast answering interviewers' questions and signing autographs.

"The real feeling underlying everything is that this signifies the loss of Michael Bennett," Donna McKechnie, the original Cassie, said of the show's director, co-choreographer and driving force, who was stricken with AIDS and died of lymphoma at age 44 on July 2, 1987. "'A Chorus Line' will run forever. The show is still going to be all over the world. But this production was Michael's, and that's the real loss, that we will never see his production again."

The 8 P.M. curtain time came and went without a hint of the show starting. It was as if no one really wanted it to begin, because once it began, 2 hours and 10 minutes later it would have to finish. Just before 8:30, the house lights finally dimmed, and the applause began. It rarely stopped. Cheers greeted every entrance and every final exit, even for dancers in the smallest roles.

Laurie Gamache, the last Cassie, fought back tears after her big production as the ovation swelled. Close to the end, just as Zack, the director, is about to make his final choices, he tells the contenders, "Before I start eliminating, I want to say you're all terrific." The audience interrupted with applause and cheers.

At about 10:40, as the ovation continued for the musical's flamboyant final number, "One," Papp walked onstage. He introduced individually all the members of the current cast, and then almost all the members of the original cast — including McKechnie, Priscilla Lopez, Sammy Williams and Kelly Bishop — as one by one they came onstage.

Then Papp named the show's creators, finishing with Ed Kleban, the lyricist, who died of cancer of the mouth in December 1987; James Kirkwood, its co-author, who died of cancer in April 1989, and Bennett. As Bennett's name was spoken, his photograph was lowered from the flies.

"The characters portrayed in 'A Chorus Line' are for the most part based on the lives and experiences of Broadway dancers," Papp said. "This show is dedicated to anyone who has ever danced in a chorus or marched in step anywhere." And then he turned to the casts and asked them to take their final bows.

The New York Times

Michael Bennett

The New York Times

Joseph Papp

After "A Chorus Line," the top five longest-running Broadway shows include "Oh! Calcutta!" (5,959 performances), "42nd Street" (3,486), "Grease" (3,388) and "Fiddler on the Roof" (3,242). "Cats" is now the longest-running Broadway show still on the boards, with 3,157 performances as of Sunday. It would have to run about seven more years to catch "A Chorus Line."

At a party later in the evening at Mamma Leone's, Bernard Gersten, the associate producer of "A Chorus Line," said he had been thinking of the musical's innocence, which he felt reflected the time of its birth.

"The overwhelming point is the shadow that AIDS cast on the show," Gersten said. "It's so painful to sit there and think of the innocence of the show 15 years ago, when there was no shadow of AIDS, and to the think of the number of people connected with the show who have fallen to AIDS, Michael most notably."

The show "created a new road," said Cy Coleman, the composer. "That road was realism, a kind of realism that we had not seen before in the musical theater. People were describing their emotions. That was the revelation."

McKechnie said she believed that when people come to see "A Chorus Line" "they see something they can identify with immediately."

"It's about dreams," she said. "Everybody has dreams. We're all in the chorus."

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Gastronomic menu 195 FFr. net including wine, served lunchtime and evening. Specialties: fish and south west cuisine. Intimate atmosphere, closed weekends. 27 bis Bld. Pereire. Tel. 42.27.26.97.

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Smalls herings - Pastrami - Cream cheese bagel and lox homemade - Cheese cake & all the trad. Jewish spec. 69 Av. de Wagram. Tel. 42.27.34.79. Every day up to midnight.

ROME

DA MEO PATACCA
Trastevere. Rest. famous for fun food, music & folklore. 00153 Rome, Piazza de Mercanti 30. Tel.: 06-5816198, 5892193. Fax: 582552.

VIENNA

KERVANSARAY
Turkish & Int'l specialties, lobster bar, best seafood restaurant, 1st floor. Mahlerstr. 9. Tel.: 5128843. Air conditioned. 80 m. Opera. Noon-3 p.m. & 6 p.m.-1 a.m., except Sunday. Open holidays.

ACROSS

1 Under the covers
5 Oceanic
9 Scarlett's plantation
13 Complications
14 Brain passage
15 N.H. state flower
16 Buttenne
17 Russian saint
18 Deputy
19 Leo's lawn invader?
21 Buttes' kin
22 Ancient ascetic
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32 Takes off
36 "—— nome," Verdi aria
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42 Holly
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45 Reedy marsh vegetation
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51 Ant or bee
56 Madrid mister
59 Grumpy flowering tree?
62 Rome's Fontana di ——
63 Italian artist: 17th century
64 Aerial maneuver
65 Match
66 Armbone
67 Teen-ager's skin problem
68 Derbies
69 Unopposed slots in tournaments
70 Quaker pronoun

DOWN

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2 Gaucho's weapon or weapons
3 Utopias
4 Electron tube
5 R.I. state flower
6 Hun king
7 Utah state flower, for short
8 Across: Prefix
9 Feline floral femme?
10 Malt drinks
11 Bombay bigwig
12 Performs
15 Sorceress
20 Namesakes of a Spanish queen
24 Bears; to Bolivar
26 Cato's VIII
27 Heartsease
29 Russian sea
30 "The —— of Spring": Stravinsky
31 River in Flanders
32 Podium
33 Eye amorously
34 Flintstone of comics
35 Reynard's floral mittens?
37 Martha of the movies
40 Formerly, formerly
44 Louise or Turner
46 Hair-raising
48 Leg bone
50 Stunted tree
52 Chair slat
53 Period of time
54 Propagated replica
55 Conical tent
58 Male caribou
57 Herice
58 Dork
60 Depend (on)
61 Actress Baxter

Solution to Previous Puzzle

I	S	L	E	S		A	L	A	S		S	M	E	W
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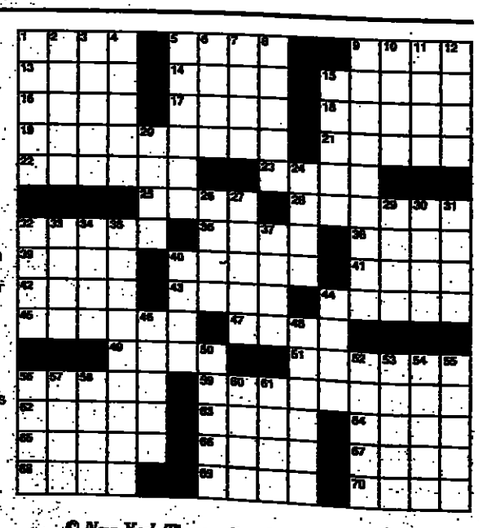

© New York Times, edited by Eugene Maleska.

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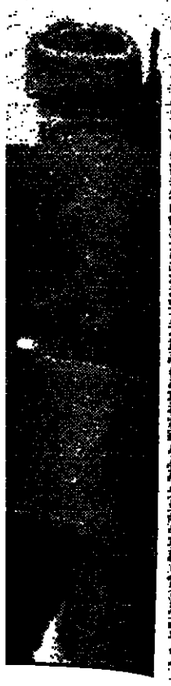

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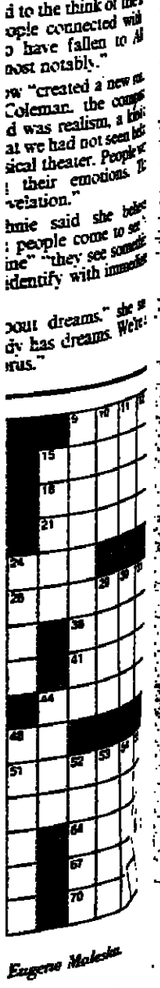

Eugene Maleska

57 Hence
58 Dork
60 Depend (on)
61 Across Be

"The most beautiful thing we can experience is the mysterious."

Albert Einstein

The world is still full of mysteries we are eager to comprehend. Of questions we would like to answer.

How, for example, does a driver react in critical traffic situations?

When is he overtaxed?

What is the effect of a new drive system on driver behavior?

Is rear-wheel steering advantageous?

Our research center in Berlin answers countless questions such as these with its technological "crystal ball" – a driving simulator unmatched in the world.

A sophisticated computer system simulates the images, motions and sounds of driving under surprisingly realistic conditions.

With this fascinating device, our researchers test new concepts for cars and commercial vehicles to determine the optimum interaction between driver and technology.

Through the constant exchange of technology and ideas among the Daimler-Benz Group's Mercedes-Benz, AEG and Deutsche Aerospace corporate units, we are unlocking mysteries – and providing realities to enhance the benefits of the automobile for the driver.

DAIMLERBENZ

Daimler-Benz AG, P.O. Box 800230, D-7000 Stuttgart 80, Federal Republic of Germany

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

WHO PROVIDES POWER FOR THE WHEELS OF INDUSTRY?

WE DO.

HITACHI

The name to remember in:
Power Systems and Equipment
Information and Communication Systems
Consumer Products Electronic Devices
Industrial Machinery and Plants

(Continued on Page 17)

NYSE Highs-Lows

NEW HIGHS 8

HarleyDav StorageTch n | Hormel Hth ToolsRoll | JapanOTC n US Surgical | Seagat Varco

NEW LOWS 57

AM Intl pf | AlliedPrd | AmCapCv | AmSvBkNJ pf
AmevSecur | Amreinc | BallGE | BkBos ed pf
BattBerna | BerclyBk pf | BordenChpr | BlackDecks
CobaltCp | BordenNWd | CBS Cap | CBS Equity
Chemed | Cdnce pfC | CenHud Gas | ChaseMah MB
CntrFd | Deltona Cp | Comdrelnt | Comsat
Emerch dp pf | FAI Insur | DeltaMills | EQK Rlty
FtFncIMar | FstMassTF | FstBostTF | FstChi pfD
GalcobLw pf | GroceSpy n | FundAmer | GalcobLaw
Hilhaven n | HanJin Inv | HenJin Inv | Hexcel
HyvWyn n | ITT Cp pfK | Houslnt 82 | Hughmy
LeeEnt | Lond | IdahoPwr | Ltdshmy n
Measurex | MarkLyn | Manville | Manville wt
Pan Am | PennCtrl | NewPlanRlt | Oneida s
PrimeMotr | PTmWtrLf | Premark | PrtdGrp n
RAI TTon n | Sabine Co | Prelnr n | PubSNewHa
Seagrm pf | Teledyne s | SnoFeFP | SelScrEn
TriNtnl n | Tosco n | Tosco pf | TriContl n
Travelers | Trinity | TrifoamGp | TriRestGrn
UJB Fncl | Unit Mers | UtdWater | TriRestGrn
Xerox Cp | XTRA Inc | XTRA pf | WestPoint

AMEX Highs-Lows

NEW HIGHS 5

ATI | AmMedcl wt | Gibson | IstCity wt

NEW LOWS 29

AcmeCleve n | AmTrsc | AmTr-xrx prm | AmTrxrx wt
Angeles | AnglPart | Brascan s | Bowling
CGA Ind | Cencorp | DiasRet A | Diasret B
Eastgrp pf | FstFedBca | GabyCobl | GlobOcn n
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Pantepet | ProtLamb | SPI Pharm | Pearls Twer
USP RE | | | SanMonHold

PERSONAL INVESTING
IN THE IHT THE SECOND MONDAY OF EACH MONTH.

CURRENCY RATE

Exchange Rates

Key Money Rates

Dollar Values

Federal Reserve

INTEREST RATES

Eurocurrency Deposits

هكذا من الأصل

Match the PC to the person...
Panasonic
Office Automation OA

Herald International Tribune.
BUSINESS/FINANCE
** WEDNESDAY, MAY 2, 1990

...and cause a stir at work.
Panasonic
Office Automation OA

MEDIA MARKETS

Trail-Blazing Megadeal Clinched by GM and NBC

By Bruce Horovitz
Los Angeles Times Service

LOS ANGELES — The No. 1 U.S. car maker, General Motors Corp., and the No. 1 network, National Broadcasting Co., have announced a long-term television advertising pact said to be worth more than $500 million. Some advertising executives say the deal could greatly change the way many advertising giants purchase TV commercial time — as well as space in magazines and newspapers.

"This purchase is the largest commitment made by an advertiser in the history of television advertising sales," said Larry Hoffner, executive vice president of NBC network sales, in a statement Monday. He declined to specify the size or length of the contract, although NBC confirmed the contract was for several years. [The Associated Press said the deal was for three years and quoted an executive familiar with the deal, who spoke on condition of anonymity, as saying it was worth "a little less than $700 million."]

The deal, said to be for $500 million-plus, could change the way big companies buy ads.

Under the arrangement, which begins in the 1990-91 season, GM advertising will be placed on NBC network prime-time shows such as the top-rated "Cosby Show" and "Cheers," as well as on its National Football League games. The ads for GM cars, trucks and automotive services will also appear on two cable networks in which NBC has an interest, the Consumer News and Business Channel and Sports Channel America.

Perhaps more significant than the specifics of the contract is how this one deal could have a domino effect within the industry. Top advertising executives say the mega-deal, which is believed to stretch over at least a three-year period, could change the way many of the Top 25 American advertisers annually spend more than $18 billion in advertising dollars.

"This could eventually be a way of life for the biggest advertisers," said Fred Danzig, editor of the trade magazine Advertising Age. "The top network advertisers will increasingly ask their agencies to seek out deals like this — and to do even better."

What's more, when one network sells so much advertising time to a single advertiser, that makes the whole network advertising "pie" much smaller, said Peter McCarthy, vice president of Western advertising sales at ABC. "Other advertisers will look at this very carefully. It just might be a catalyst."

IT IS NOT UNCOMMON for advertisers to ask the TV networks for long-term deals, but historically the networks have shunned them. "It's tough enough to come up with an agreement over what will happen the next year," said Bob Blackmore, executive vice president of the NBC network, in a telephone interview. "I don't see this as a trend."

Some say, however, that the biggest advertisers, like Philip Morris, which spends more than $2 billion annually, and Procter & Gamble, which spends $1.5 billion, might now try to strike colossal deals similar to this one made between GM and NBC.

For the advertisers, the deals guarantee placement on the best shows at the best times. For the networks, the deals would appear to all but guarantee respectable revenues during times of falling viewership.

Just last week, ESPN announced a five-year, $100 million deal with Anheuser-Busch, making it the cable network's largest single advertising sale. And American Home Products, which makes analgesics like Anacin and Advil as well as Easy-Off oven cleaner and Easy-On spray starch, is said to have committed upwards of $250 million to advertising on NBC over the next few years.

For years, the odds have been good that networks could make more money with year-to-year deals. But times are leaner and everyone is looking for bargains.

"The agreement is consistent with GM's ongoing effort to get the maximum value for our advertising expenditures," said Philip Guarascio, GM's executive director of advertising. "It assures us attractive prices on the most desirable programming."

CURRENCY RATES

Cross Rates

April 30/May 1

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.8945	3.3015	1.1246	0.3354	0.1535 *	—	5.45 *	1.3085	1.2541 *
Brussels(a)	34.48	56.7625	20.643	6.1495	2.8179 *	18.3515	—	23.812	0.2181
Frankfurt	1.6803	2.748	—	0.2979	0.1365 *	0.8889	4.845 *	1.1529	1.0555 *
London (b)	1.629	—	2.7548	9.2313	2,017.50	3.0988	56.805	2.3833	259.74
Milan	1,231.45	2,014.90	732.80	218.30	—	651.42	35.596	845.00	7.743
New York(c)	—	1.6445 b	1.681	5.639	1,232.00	1.89	34.487	1.4565	158.825
Paris	5.6385	9.231	3.3572	—	0.4582 *	2.9838	0.1427	3.8718	3.545 *
Tokyo	159.70	260.87	94.65	28.22	0.1292	84.14	4.5983	109.42	—
Zurich	1.4545	2.3799	0.8661	0.2583	0.1181 *	0.7697	4.1917 *	—	0.9182 *
1 ECU	1.2149	0.7442	2.0454	6.8682	1,499.86	2.3017	42.2161	1.7736	193.664
1 SDR	1.3022	0.7951	N.Q.	N.Q.	N.Q.	2.467	N.Q.	N.Q.	207.113

*Closings in London and Zurich, fixings in other centers. New York closing rates. Amsterdam, London, New York, Tokyo and SDR rates as of May 1. Others as of April 30. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

May 1

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	4895.0	Fin. markka	3.975	Mex. peso	2797.81	S. Afr. rand	2.655
Austral. $	1.3423	Greek drac.	164.90	N. Zealand $	1.7528	Soviet ruble*	0.605
Austr. schil.	11.82	Hong Kong $	7.79	Norw. krone	6.519	Span. peseta	105.95
Brazil cruz.	50.75	Indian rupee	17.201	Phil. peso	22.47	Swed. krona	6.092
Canadian $	1.1645	Indo. rupiah	1816.81	Port. escudo	148.80	Taiwan $	26.17
Chinese yuan*	4.72	Irish £	0.6275	Saudi riyal	3.75	Thai baht	26.00
Danish krone	6.3875	Israeli shek.	1.96	Sing. $	1.874	Turkish lira	2497.00
Egypt. pound	2.6533	Malay. ring.	2.715	S. Kor. won	706.10	UAE dirham	3.645
						Venez. boliv.	44.46

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6296	1.6212	1.6125	Canadian dollar	1.1695	1.1739	1.1783
Japanese yen	158.22	158.05	157.86	Swiss franc	1.4553	1.4548	1.4541
Deutsche mark	1.6824	1.6819	1.6818				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

May 1

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8⅜-8½	7 [illegible]-8 [illegible]	9 [illegible]-9 [illegible]	15-15⅛	9½-9⅝	7 [illegible]-7 [illegible]	10 [illegible]-10 [illegible]	8 [illegible]
2 months	8½-8⅝	8 [illegible]-8 [illegible]	9 [illegible]-9 [illegible]	15-15⅛	9 [illegible]-9 [illegible]	7¼-7⅜	10 [illegible]-10 [illegible]	9
3 months	8 [illegible]-8 [illegible]	8¼-8⅜	9 [illegible]-9 [illegible]	15¼-15⅜	9⅝-9¾	7 [illegible]-7 [illegible]	10 [illegible]-10 [illegible]	9 [illegible]
6 months	8⅝-8¾	8⅝-8¾	9¼-9⅜	15 [illegible]-15 [illegible]	9 [illegible]-9 [illegible]	7 [illegible]-7 [illegible]	10⅞-11	9 [illegible]
1 year	9⅛-9¼	9-9⅛	9¼-9⅜	15 [illegible]-15 [illegible]	9 [illegible]-10 [illegible]	7 [illegible]-7 [illegible]	11 [illegible]-11 [illegible]	9⅝

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

May 1

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8.21	8¼
Com. paper 90-179 days	8.20	8.35
3-month Treasury bills	7.90	7.77
6-month Treasury bills	8.02	7.97
1-year Treasury bills	7.94	7.92
30-year Treasury bond	94 14/32	94 26/32
2-month CD's	7.90	7.90
3-month CD's	7.95	8.00
Japan		
Discount rate	5¼	5¼
Call money	7 3/16	7 3/16
2-month interbank	n.a.	7 5/16
3-month interbank	7 11/32	7 5/16
W. Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	Clsd	7.80
1-month interbank	—	n.a.
3-month interbank	—	8.35
6-month interbank	—	8.80
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15¼
3-month interbank	15 11/32	n.a.
6-month interbank	15⅝	n.a.
France		
Intervention rate	9½	9½
Call money	Clsd	9 11/16
1-month interbank	—	9⅝
3-month interbank	—	9 11/16
6-month interbank	—	9 13/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

April 30

1 month	8 [illegible] - 8 [illegible]
2 months	8 [illegible] - 8 [illegible]
3 months	8⅝ - 8¾
6 months	8 [illegible] - 8 [illegible]
1 year	9 [illegible] - 9 [illegible]

Source: Reuters.

U.S. Money Market Funds

May 1

Merrill Lynch Ready Assets	
30-day average yield:	7.80
Telerate Interest Rate Index:	8.353

Source: Merrill Lynch, Telerate.

GOLD

May 1

	A.M.	P.M.	Ch'ge
Hong Kong	368.95	369.45	— 1.80
Luxembourg		Closed	
Paris (12.5 kilo)		Closed	
Zurich		Closed	
London	368.95	369.50	+ 3.75
New York	—	370.25	+ 1.40

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S.$ per ounce.
Source: Reuters.

Cost of U.S. Thrift Bailout Is Mounting

By Jerry Knight and John M. Berry
Washington Post Service

WASHINGTON — The official heading the drive to bail out insolvent U.S. savings and loan associations has told President George Bush that the operation will cost many billions of dollars more than the administration had planned to spend.

Two weeks ago, L. William Seidman walked two blocks from his office at the Federal Deposit Insurance Corp. to the White House to personally deliver the bad news to Mr. Bush. Mr. Seidman warned that so much cash is needed so quickly to pay off depositors that the cleanup will run out of money by early next year, according to sources familiar with the meeting.

Mr. Seidman gave Mr. Bush no estimate of how much more the government will have to spend to protect depositors' savings in the sick thrifts, the sources familiar with their meeting said. Figures bandied about in the past have ranged from $50 billion to $500 billion. Until recent weeks, the most widely accepted figure was $164 billion.

Until the administration gets a better idea of how much cash is needed, no decision can be made on where the money might come from, a Treasury Department official said. While stressing that there is no plan to raise taxes to pay for the thrift cleanup, the official also emphasized that the administration will pay whatever it costs to keep the promise to protect depositors.

Mr. Seidman's assessment was no surprise to Mr. Bush, according to top aides who have been warning the president that the thrift cleanup costs will send the federal budget deficit soaring.

Driven mostly by the extra thrift spending, the fiscal 1990 federal budget deficit will grow past the $180 billion mark, and possibly past $200 billion, the Congressional Budget Office predicts. Only three months ago, the administration pegged this year's deficit at $121 billion.

The S&L cleanup is turning out to be unexpectedly costly because more thrifts are in trouble than previously thought, and their losses are bigger than projected, Mr. Seidman told the president. The FDIC chairman also serves as head of Resolution Trust Corp., the new S&L cleanup agency.

The costs of the thrift cleanup are becoming clearer as Resolution overcomes start-up difficulties and shifts its newly built bureaucratic machinery into high gear.

In April, the administration gave the go-ahead to an aggressive effort to shut down insolvent thrifts whose losses are mounting daily by millions of dollars.

The plan calls for "resolving" 141 thrifts by the end of June by spending $51 billion either to pay

See BAILOUT, Page 14

OPEC Aims To Restrain Oil Output

United Press International

GENEVA — OPEC oil ministers, meeting in a quick emergency session, aim to boost sagging world crude prices by "voluntary" restraints on widespread production cheating in the 13-member cartel, high-ranking officials said Tuesday.

The OPEC Secretary General, Subroto of Indonesia, confirmed that the first-half output ceiling of 22 million barrels daily would remain unchanged for now.

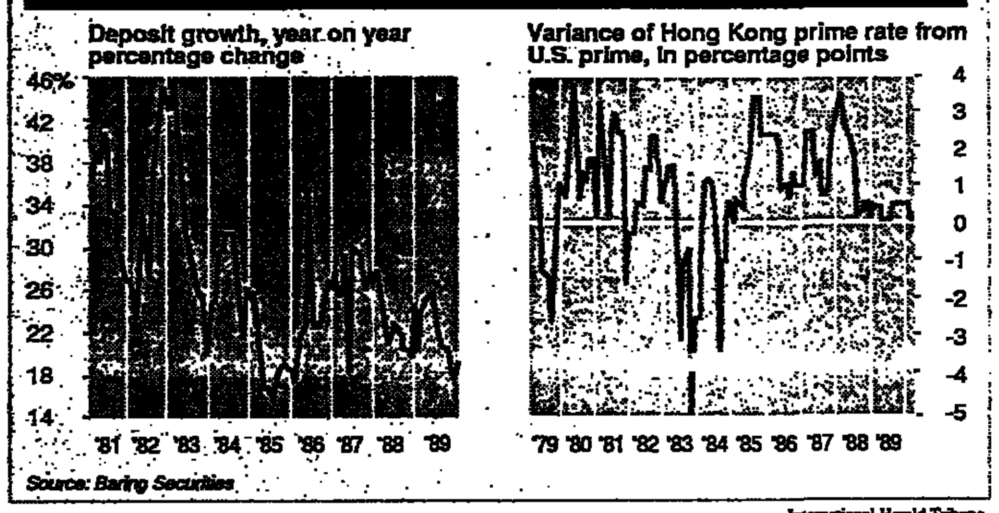
"The first-half ceiling will not be altered and a ceiling for the second half will be discussed in June" at the regularly scheduled June 25 meeting, Subroto said.

Oil Minister Sadek Boussena of Algeria, the current OPEC president, convened the emergency talks, which officially open Wednesday, and proposed restraints on output cheating in May and June as a means of giving prices a fast boost. The 22 million-barrel ceiling was set in November by the Organization of Petroleum Exporting Countries for the first six months of 1990.

But Kuwait and the United Arab Emirates, with excess production capacity, have flagrantly violated their assigned quotas.

On Tuesday, Saudi Arabia said it was not happy about the drop in prices and it wanted a rebound. New York petroleum futures rose in reaction to the statement.

Banking Squeeze in Hong Kong



Source: Baring Securities

International Herald Tribune

Boxing In Hong Kong's Bankers

Dwindling Deposit Base Could Boost Borrowing Costs

By Steve Glain
International Herald Tribune

HONG KONG — Growth in Hong Kong dollar deposits has tapered off as wealthy residents flee the colony before it returns to Chinese sovereignty in 1997, forcing many banks to plumb the interbank market to help finance loans for corporate investment, particularly in southern China.

This dwindling deposit base, along with brisk credit demand and a rigid monetary policy, has boxed in Hong Kong's banking sector in a way that could prompt an increase in local borrowing costs, according to banking analysts and government officials.

"Because banks are obliged to fund assets on an unstable market rather than a stable customer base, the danger of illiquidity is obvious," said Francis Fawkes, deputy manager of foreign exchange and treasury at Hongkong & Shanghai Banking Corp.

Mr. Fawkes said it was not unusual for some banks, particularly merchant banks and deposit-taking companies, to finance loans on the interbank market. "But what is unusual is the extent to which it's done in Hong Kong," he added.

In his annual banking report released this week, Banking Commissioner Tony Nicolle noted "a steady and significant rise in the loan-to-deposit ratios of

See BANKS, Page 17

U.S. Data Spur Expectation of Action by Fed

By Lawrence Malkin
International Herald Tribune

NEW YORK — Increasing signs of strength in the U.S. economy widened the belief among financial analysts on Tuesday that the Federal Reserve Board would tighten credit, and that its main concern was not whether to do so, but when.

The latest sign came in the monthly index of economic activity issued by the National Association of Purchasing Management, a barometer watched closely by the Fed. The index rose to 50.2 percent in April from 48.8 in March. The over-50 reading indicates that manufacturing is growing, the first time the index has moved into that zone since April 1989.

In what appeared to be an attempt to soothe bond markets that were baying for higher rates on the eve of next week's Treasury bond auctions, Fed Chairman Alan Greenspan told the purchasing managers' annual convention Monday that he foresaw "modest and moderate growth" in industrial output this year.

But the markets were not impressed. After a quick early spurt Tuesday morning, Wall Street stocks turned lower on the purchasing index. Bond prices fell, and yields rose, on the belief that the Fed would nudge interest rates up. The yield on the bellwether 30-year Treasury bond stood at 9.04 percent at the close, up from 9.00.

The most common forecast was a rise in the federal funds rate by about one-quarter of one percent, to 8.5 percent.

There were sharp rises in several of the index components that are followed closely by Mr. Greenspan. Among them were the index of new orders, up from 50.4 to 55.5, the highest since February, 1989. Another was the price index, which rose from 48.2 to 50.8. This meant that for the first time since last May, more than half the 300 purchasing managers polled at major U.S. companies reported rising rather than falling prices.

Data for March issued this week showed an economy imminently squeezed by inflation. High prices helped produce an inflation-adjusted decrease in personal spending of 0.2 percent, concentrated in durable goods. High interest rates cut sales of new houses by 5 percent. Construction spending fell 1.4 percent, the largest monthly decline since February, 1989.

Against this statistical background, major bond houses such as Salomon Brothers are issuing widely publicized comments that the Fed's "credibility" is at stake. William Sullivan, chief of bond research for Dean Witter, said the Fed "has to do something" or prices will fall further and rates will go even higher.

Although other Fed watchers also expect the central bank to tighten rates, they find the criticism overdrawn. "It indicates that the Fed has some power over inflation that it does not have, when the best they can do is to keep growth at 2 percent or under," said Leonard Santow, of Griggs & Santow.

Because of uncertain statistics, these analysts expect the Fed to wait at least until after Treasury bonds auctioned next week are sold off in June. "The Fed will move behind the numbers, not in front," said the economist Henry Kaufman.

These more cautious analysts agreed that the Fed must weigh its decisions against the effects on the rest of the economy. Higher rates mean a higher U.S. budget deficit and a slower economy. They also mean a stronger dollar — which [illegible] trade balance, and less production by American factories. And finally, they threaten a financial system left fragile by junk bonds and weak bank balance sheets.

David Wyss, chief financial economist at DRI, said: "In 1987, the Fed raised rates and bond yields went up anyway. Why should they give in now to help preserve the value of the bond dealers' inventories?"

■ Gloomy Data in Canada

Canada said its economy shrank in February for the second month in a row, Reuters reported from Ottawa. Real gross domestic product fell 0.1 percent in February after a January fall of 0.3 percent.

Abu Dhabi Takes Over BCCI Controlling Stake

Compiled by Our Staff From Dispatches

LONDON — The emirate of Abu Dhabi has taken control of Bank of Credit & Commerce International, which earlier this year pleaded guilty to laundering millions of dollars in drug money, the bank said Tuesday.

The Abu Dhabi government now holds 77 percent of BCCI Holdings (Luxembourg) SA, the bank's holding company, after buying $400 million-worth of new shares and other stock from shareholders, the BCCI statement said.

The injection of new money takes the bank's total capital funds to $1.47 billion, compared with $1.42 billion in 1988.

BCCI pleaded guilty earlier this year in Tampa, Florida, to laundering more than $14 million in drug profits.

A BCCI spokesman said in an interview that that the Abu Dhabi government had acquired a 20 percent stake in the bank from Khaled bin-Mahfouz, a member of the family that the National Commercial Bank of Saudi Arabia.

Financial sources estimated that the Emir of Abu Dhabi, Zayed ibn Sultan al Nahyan, and the Abu Dhabi Investment Authority had hitherto held about a one-third stake in BCCI.

BCCI is not listed on the stock market and is therefore not bound to make public the breakdown of share holdings.

A BCCI spokesman said there was no news yet on whether the reorganization of the group would involve job cuts, the closure of some of the group's offices worldwide, or relocation of the bank's head office to the United Arab Emirates. BCCI has 45 branches in London alone.

BCCI also said Tuesday that it had made a loss of $498 million last year, against a profit of $48 million in 1988.

The poor figures were largely due to an extra $600 million in provisions or doubtful loans, particularly in the Third World, the bank said. Doubtful loan provisions had been increased by $145 million in 1988.

The bank said it had now covered some 50 percent of its exposure in heavily indebted countries.

BCCI said its total assets at the end of 1989 stood at $23.5 billion, up from $20.6 billion in 1988. But loan-loss provisions spiraled to $600 million, a sharp increase from $45 million. *(AFP, Reuters)*

Bank of Japan Unveils Reorganization Plan

Compiled by Our Staff From Dispatches

TOKYO — The Bank of Japan will implement the biggest internal reforms in its 109-year history to reflect changes in the domestic and international financial markets, bank officials said Tuesday.

"This change is intended to strengthen our function as a central bank amid dramatic changes in the financial and economic environment at home and abroad," a bank statement said.

The BOJ, one of the key central banks among major industrialized nations — along with the U.S. Federal Reserve and the West German Bundesbank — said the changes center on a reorganization of bank departments and a reduction in the number of departments from 18 to 16. They will take effect May 28.

The principal features of the reorganization include a merger of overseas research functions into a newly created international department to survey global economic developments.

The central bank said it will set up a market operations division to monitor both money and capital markets and to execute daily monetary operations in a comprehensive manner.

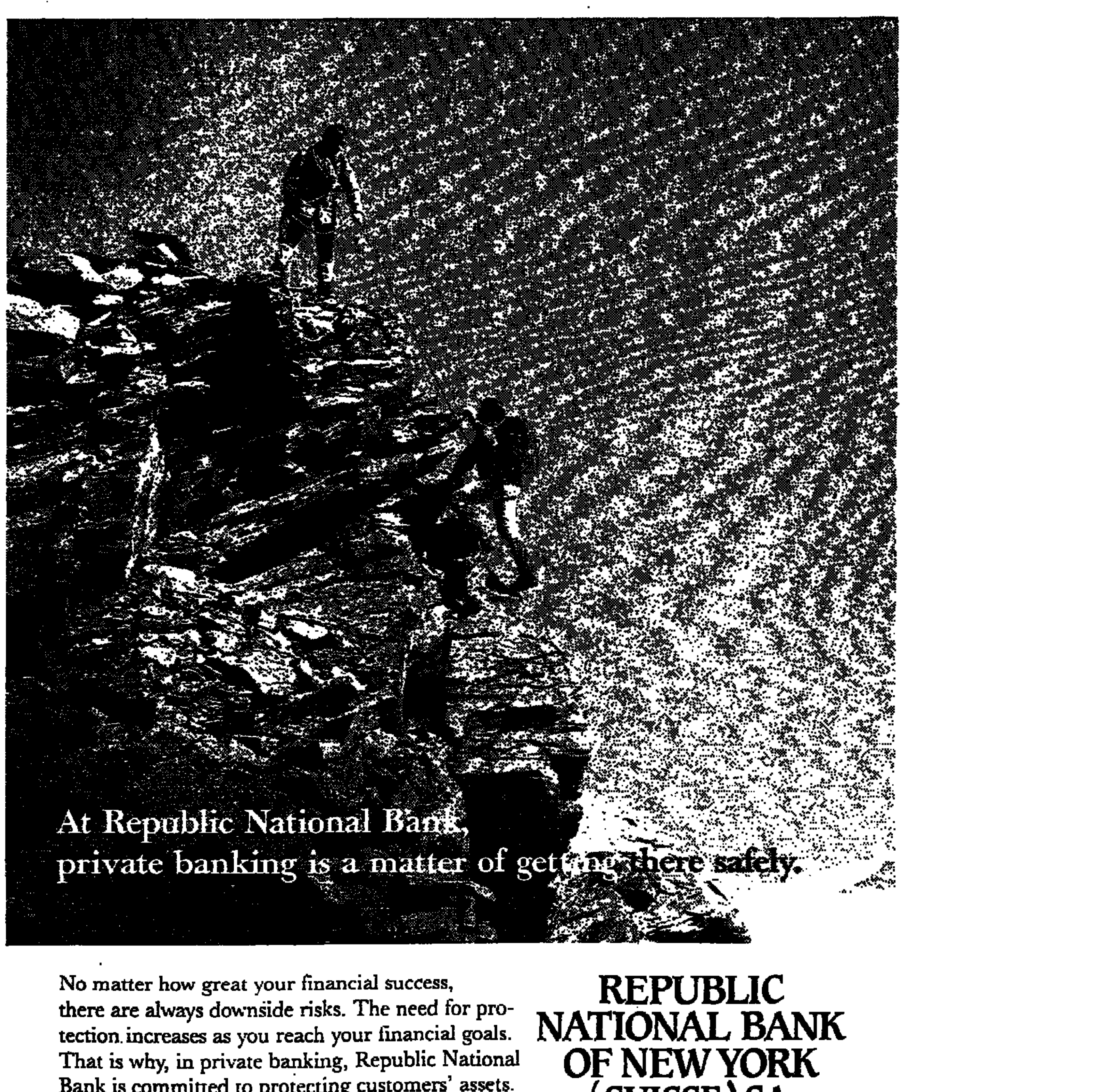
The central bank said two divisions — the bank relations division and the capital markets division — will "oversee the activities of financial institutions both at home and abroad in their daily monitoring of banks and securities houses, respectively."

In addition, the central bank said a new financial and payment-system department will be set up to cope with the increased risks to the financial system posed by the trends toward financial deregulation, globalization and computerization.

A new international department will combine the current foreign department with the overseas research function of the research and statistics department.

To expand the central bank's international network, the Hong Kong office will be made the Bank of Japan's third chief representative office serving Asia and the Pacific, joining New York for North and South America, and London for Europe, Africa and the Middle East.

Another representative office will be added to Washington. *(AFP, AP)*



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MARKET DIARY

Data on Economy Buoy Stock Prices

United Press International

NEW YORK — Stock prices ended higher in moderate trading Tuesday on the New York Stock Exchange amid some favorable economic news and mild program buying.

The blue-chip Dow Jones industrial average, which climbed 11.71 points Monday, gained 12.16 points to 2,668.92.

N.Y. Stocks

Among broader market gauges, the New York Stock Exchange composite index rose 0.73 to 182.22 and Standard & Poor's 500-stock index rose 1.45 to 332.25.

Advances outpaced declines by an 8-7 margin. Big Board volume was 149 million shares, above the 122.7 million shares changing hands on Monday.

"Some little firmness in the bond market" was one of several factors that helped boost stocks, said Trude Latimer, market analyst with Josephthal & Co.

The market opened sharply higher but turned mixed around midday following a better-than-expected report on the U.S. economy from corporate purchasing managers.

Market watchers said investors pulled away from the market or cut their buying as bonds eased slightly in response to the report.

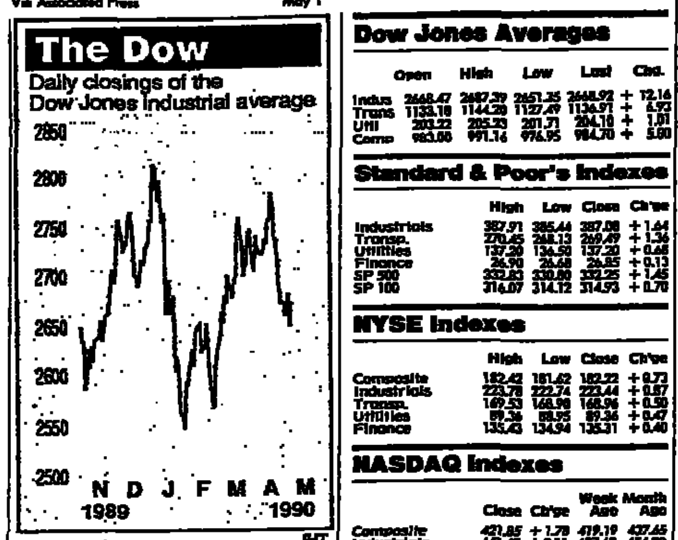
Treasury bonds, which had been up as much as ⅜, eased. Long-term issues also slipped and the yield on the benchmark 30-year bond topped 9 percent again after slipping below that level late Monday.

Rates are expected to stay under pressure before next week's quarterly Treasury refunding, analysts said.

Security Pacific was the most active, ending unchanged at 36. Chase Manhattan followed, slipping ⅜ to 25.

Tosco was the third most active stock, falling 5¼ to 17¼. The oil refiner announced it abandoned efforts begun last year to sell the company or its refining business.

Among blue-chip issues, Boeing climbed 2½ to 72¼. On Monday, the airplane maker reported first-quarter earnings soared 87.5 percent to $302 million, boosted its quarterly dividend to 37.5 cents a share and announced a 3-for-2 stock split.



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2668.47	2687.39	2651.35	2668.92	+ 12.16
Trans	1133.18	1144.20	1127.49	1136.91	+ 4.93
Util	203.22	205.23	201.71	204.10	+ 1.01
Comp	983.08	991.16	976.95	984.70	+ 5.80

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	387.91	385.44	387.08	+1.44
Transp.	270.45	268.13	269.49	+1.36
Utilities	137.20	136.50	137.20	+0.68
Finance	26.90	26.68	26.85	+0.13
SP 500	332.83	330.80	332.25	+1.45
SP 100	316.07	314.12	314.93	+0.70

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	182.42	181.62	182.22	+0.73
Industrials	223.78	222.74	223.44	+0.87
Transp.	169.53	168.98	168.96	+0.50
Utilities	89.36	88.95	89.36	+0.47
Finance	135.43	134.94	135.31	+0.40

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	421.85	+1.78	419.19	437.65
Industrials	441.43	+2.11	437.68	454.20
Finance	444.21	+0.29	448.33	464.64
Insurance	474.89	+0.82	476.20	500.21
Utilities	584.42	+4.84	578.34	615.15
Banks	347.94	+1.76	348.95	364.16
Transp.	456.20	+2.03	449.00	481.89

NYSE Diary

	Close	Prev.
Advanced	821	732
Declined	682	749
Unchanged	463	497
Total Issues	1966	1978
New Highs	8	7
New Lows	87	116

AMEX Stock Index

High	Low	Close	Ch'ge
343.86	342.59	343.32	+0.22

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	88.55	—0.07
Utilities	89.23	—0.06
Industrials	87.88	—0.07

Amex Diary

	Close	Prev.
Advanced	279	218
Declined	272	284
Unchanged	260	263
Total Issues	811	765
New Highs	5	6
New Lows	29	35

Market Sales

NYSE 4 p.m. volume	149,020,000
NYSE prev. cons. close	148,202,590
Amex 4 p.m. volume	10,640,000
Amex prev. cons. close	9,220,800
NASDAQ 4 p.m. volume	95,326,184
NASDAQ prev. 4 p.m. volume	105,773,480
NYSE volume up	70,537,000
NYSE volume down	54,185,000
Amex volume up	5,097,000
Amex volume down	3,348,000
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

NASDAQ Diary

	Close	Prev.
Advanced	1,048	987
Declined	852	897
Unchanged	2,424	2,520
Total Issues	4,324	4,324

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SecPac	37170	36¼	35⅞	36	— ⅜
Chase	36241	25¾	24⅞	25	— ⅝
Tosco s	24576	17⅞	16¾	17¼	—5¼
EastUtl	20341	33⅝	33½	33⅝	— ⅛
BrMySq	18754	56⅜	55⅝	56¼	+ ⅜
viAmesD	17321	3	2	2½	+ ½
PhilMr s	14229	42¾	42⅛	42⅜	+ ¾
Boeing s	14903	72¾	71⅛	72¼	+2½
SaraL s	12439	27¼	26	26⅞	— ⅛
Citicorp	12415	22¼	21⅞	22¼	+ ¼
Navistr	12083	3⅞	3¾	3¾	— ⅛
IBM	11662	109⅜	107⅞	108	—1
Chryslr	11598	15½	15⅛	15¼	+ ¾
PepsiCo	11042	67¼	65⅝	65⅞	— ⅜
ArchD s	10589	24	23½	23⅝	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
SFT 593cwt	10078	3⅝	3½	3⅝	
BAT In	5089	11⅞	11½	11⅝	+ ⅛
Hilhov n	3664	1⅛	1	1	— ⅛
Coron g	2977	6⅝	6⅜	6½	
HomeSh	2738	7⅜	7¼	7¼	— ⅛
SNk 93cwt	2548	3⅝	3½	3⅝	+ ⅛
ENSR	2383	8⅞	8⅛	8⅝	
Diasonc	2154	3⅝	3⅜	3⅝	+ ⅛
WDigitl	2033	11⅝	10⅞	11¼	+ ⅜
DowC rt	2014	10¼	9⅞	10¼	+ ¼
EchoBy	1781	14⅛	13⅝	13⅞	— ¼
Kirby	1767	9½	8¾	8⅞	— ¾
ENSCO	1626	4⅝	4½	4½	
Telesph	1624	5	4⅝	4⅝	
SikesA	1418	16⅞	16⅛	16⅛	— ⅛

Dollar Ends Mostly Higher In Thin New York Trading

Reuters

NEW YORK — The dollar rose against most major currencies in thin trading on Tuesday.

Sporadic heavy selling of dollars for yen in the morning petered out as the U.S. currency rebounded off lows against the yen on news of an unexpected rise in the National Association of Purchasing Management index for April.

Foreign Exchange

Mark/yen cross trading was active, but with many European markets closed for the May Day holiday, volume was thin.

"The dollar turned the tide when the NAPM numbers came out and dollar selling for yen ended," said Linda McLaughlin, vice president at Chemical Bank. "The dollar gained from the NAPM."

The U.S. currency finished at 1.6810 Deutsche marks, up from 1.6793 DM at Monday's close, and at 158.825 yen, up from 158.00 yen. The dollar also rose to 5.6390 French francs, up from 5.6340.

The U.S. unit fell against the pound, however, with sterling rising to $1.6445 from $1.6405.

Uncertainty about Fed policy drew activity to mark/yen cross trading, said Albert Soria, manager at Kansallis-Osake-Pankki.

However, trepidation about the mark as the two Germanys proceed to unify their economies, and a series of wildcat strikes in West German factories made mark-related trading risky, Mr. Soria added.

In London trading earlier, the dollar finished fractionally firmer against the mark. The dollar rose to 1.6813 DM, from 1.6784 DM, but slipped to 158.65 yen from 158.97.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Alexandr & Baldwin	Q	.22	6-7	5-10
Armstrong World	Q	.27	6-1	5-11
Boeing Co	Q	.37½	6-8	5-18
Frst Fedrl Fncl Svc	Q	.12	5-22	5-9
Foster Wheeler	Q	.12½	6-15	5-15
Nashua Corp	Q	.18	7-3	6-18
REDUCED				
Am Indemnity Fncl	Q	.02	5-15	5-11
SPECIAL				
American List	-	.20	6-25	5-25
Artistic Greetgs	-	.19	5-30	5-7
STOCK				
Texas Indstrs		.4 PC	5-31	5-11
STOCK SPLIT				
Boeing Co — 3-for-2				
Comshare Inc — 3-for-1				
OEA Inc — 2-for-1				
Slocan Forest Prod — 2-for-1				
USUAL				
Allied Signal	Q	.45	6-8	5-18
Amer Family	Q	.08	6-1	5-18
Baker Fentress	Q	.12½	7-5	6-15
BankAmerica	Q	.25	6-8	5-22
Brenco's Inc	Q	.03½	5-25	5-11
Carriage Ind	Q	.02½	6-8	5-15
Consol Freightwys	Q	.36½	5-29	5-11
Excel Bancorp	Q	.17	7-20	7-6
First Security	Q	.32	6-4	5-18
Grn Tree Accptce	Q	.15	6-30	6-15
Handy & Harman	Q	.16½	6-1	5-15
Infernet Corp	Q	.08	5-24	5-10
Intl Busins Machns	Q	1.21	6-9	5-10
Intl Research & Dev	Q	.05	5-25	5-11
Kemper High Incm	M	.10	5-31	5-15
Kemper Inter Govt	M	.0734	5-31	5-15
Kemper MultiMkt Tr	M	.0117	5-31	5-15
Kemper Muni Inc Tr	M	.07¼	5-31	5-15
Kemper Strt Muni IT	M	.07½	5-31	5-15
Kennametal Inc	Q	.29	5-25	5-10
Kysor Industrial	Q	.15	7-26	7-11
LL&E Royalty Trust	M	.02723	5-17	5-7
Nw Engl BusnsSvc	Q	.20	5-25	5-11
Nthwest Illinois	Q	.12½	5-18	5-1
Olsten Corp	Q	.06	6-15	5-15
Phila Suburban	Q	.25	6-1	5-16
PHM Corp	Q	.03	7-2	6-15
Pinnacle Bncrp	Q	.12½	5-25	5-10
Presidio Oil Co A	Q	.02½	5-31	5-11
Ragan (Brad) Inc	Q	.03	5-25	5-11
Raychem Corp	Q	.08	6-8	5-15
Sanderson Farms	Q	.07½	5-21	5-7
Snap-On Tools	Q	.27	6-11	5-11
Sotheby's Hldgs	Q	.15	6-19	5-24
Suncst Svgs & Loan	Q	.10	5-28	5-11
TNP Enterprises	Q	.40½	6-15	5-23
United Cities Gas	Q	.21	6-15	5-30
Wackenhut Corp	Q	.15	6-1	5-15
Watts Indus A	Q	.05	5-16	5-7
Wendy' Intl	Q	.06	5-21	5-7
Zero Corp	Q	.10	6-6	5-16

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

DM Futures Options

Strike Price	Calls-Settle Jun	Sep	May	Puts-Settle Jun	Sep	May
58	1.13	2.33	1.58	0.28	0.81	0.01
59	0.59	1.74	0.60	0.45	1.19	0.06
60	0.40	n.a.	0.07	0.95	1.68	0.51
61	0.22	0.89	0.01	1.47	2.27	—
62	0.09	0.62	0.01	2.58	—	—
63	0.04	0.42	0.01	—	—	—

Est total vol: 7,845
Calls: Mon. vol.: 3,468; open int.: 59,792
Puts: Mon. vol.: 2,974; open int.: 56,082
Source: CME.

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	1.6813	1.6784
Pound sterling	1.6390	1.6355
Japanese yen	158.65	158.97
Swiss franc	1.4550	1.4517
French franc	5.6388	5.6333

Source: Reuters.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.7375	0.72
Coffee, lb	0.84	0.85
Copper electrolytic, lb	1.311	1.311
Iron FOB, ton	213.00	213.00
Lead, lb	0.49	0.45
Silver, troy oz	5.02	4.945
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	101.00	101.00
Tin, lb	clsd.	3.865
Zinc, lb	0.83	0.83

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Apr. 30	266,523	409,223	58,290
Apr. 27	272,216	389,890	54,722
Apr. 26	330,564	408,930	27,579
Apr. 25	286,947	381,639	35,551
Apr. 24	313,684	427,908	28,028

*Included in the sales figures

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Sterling per metric ton				
Spot	1514.00	1516.00	1505.00	1507.00
Forward	1532.00	1533.00	1522.00	1525.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1755.00	1760.00	1578.00	1579.00
Forward	1559.00	1560.00	1510.00	1511.00
LEAD Sterling per metric ton				
Spot	492.00	494.00	490.00	491.00
Forward	493.00	495.00	490.00	491.00
NICKEL Dollars per metric ton				
Spot	9350.00	9450.00	9250.00	9350.00
Forward	8850.00	8950.00	8800.00	8850.00
TIN Dollars per metric ton				
Spot	6440.00	6475.00	6430.00	6450.00
Forward	6550.00	6580.00	6540.00	6560.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1770.00	1775.00	1750.00	1753.00
Forward	1698.00	1700.00	1673.00	1677.00

European Commodities

	Close Bid	Ask	High	Low	Previous Bid	Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	358.00	358.40	363.80	353.60	359.20	359.40
Oct	353.80	354.00	359.40	349.00	354.40	354.80
Dec	331.80	340.00	N.T.	N.T.	335.20	339.60
Mar	329.20	329.40	330.00	326.00	328.60	328.80
May	327.80	328.00	328.00	327.60	328.00	328.00
Aug	325.00	327.00	328.00	324.00	325.00	326.20
Oct	320.00	327.00	N.T.	N.T.	New	New
Volume: 4,467 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
May	854	855	855	845	826	827
Jul	874	875	876	865	854	855
Sep	889	890	890	883	870	873
Dec	906	908	908	900	886	887
Mar	922	924	924	916	904	905
May	936	939	939	932	916	919
Jul	952	953	953	948	931	934
Volume: 4,031 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
May	652	654	660	648	654	655
Jul	666	669	677	663	667	668
Sep	679	680	687	674	677	678
Nov	692	693	698	687	689	691
Jan	702	704	707	703	700	701
Mar	718	720	721	717	712	716
May	720	735	734	734	725	732
Volume: 3,157 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
May	160.00	160.25	160.25	156.75	157.50	157.75
Jun	156.00	156.25	156.00	153.00	153.75	154.00
Jul	155.75	156.25	156.50	157.75	153.25	153.50
Aug	157.00	158.00	158.00	154.75	155.25	155.50
Sep	158.00	158.50	158.50	156.75	157.00	157.50
Oct	160.00	160.75	160.75	159.00	159.00	159.50
Nov	160.75	163.00	N.T.	N.T.	160.50	161.00
Dec	164.50	165.00	164.50	161.75	161.50	162.00
Jan	162.75	163.25	162.75	162.50	160.50	162.50
Volume: 2,360 lots of 100 tons.						

Currency Options

May 1

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls-Last May	Jun	Sep	Puts-Last May	Jun	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	73	r	r	r	0.13	0.64	1.78
74.62	74	0.74	r	r	0.35	1.03	r
74.62	75	r	0.64	r	0.78	1.66	r
74.62	76	r	0.36	r	r	2.33	r
74.62	77	r	r	r	r	3.09	
31,250 British Pounds-cents per unit.							
Pound	157½	r	r	r	r	0.57	r
164.43	160	r	r	r	0.30	1.15	r
164.43	162½	1.45	r	r	0.52	2.27	r
164.43	165	0.60	r	r	r	r	
164.43	167½	r	0.69	r	r	r	
50,000 Canadian Dollars-cents per unit.							
Dolr	82	r	r	r	r	r	0.28
85.84	82½	r	r	r	r	r	0.38
85.84	83	r	r	r	r	r	0.49
85.84	84	r	r	r	r	0.16	r
85.84	84½	r	r	r	r	0.29	r
85.84	85	r	r	r	r	r	1.36
85.84	85½	r	0.53	r	r	r	1.62
85.84	86	r	r	r	r	r	2.02
85.84	86½	r	0.78	r	r	r	
50,000 Canadian Dollars-European Style.							
Dollar	85	r	r	r	r	0.43	
62,500 West German Marks-cents per unit.							
Mark	51	s	r	r	s	r	0.05
59.53	57	r	r	r	r	0.12	r
59.53	58	r	r	r	r	0.26	r
59.53	59	r	1.10	r	0.16	0.52	r
59.53	59½	0.33	r	r	s	0.30	r
59.53	60	0.15	r	1.27	0.59	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	61	r	r	r	0.03	r	r
62.99	62	r	r	r	r	0.40	r
62.99	62½	r	r	r	s	0.18	r
62.99	63	0.46	r	r	0.34	0.76	r
62.99	63½	0.16	r	r	s	r	r
62.99	64	0.08	0.44	1.08	1.04	1.33	r
62.99	64½	r	0.29	r	s	r	r
62.99	65	0.03	0.21	r	r	r	r
62.99	66	r	0.12	r	r	r	r
62,500 Swiss Francs-cents per unit.							
Franc	67	1.73	1.92	r	r	0.33	1.12
68.78	68	0.85	r	r	0.18	r	r
68.78	69	r	0.75	r	r	r	r
68.78	70	r	0.43	r	r	r	r

Total call vol. 5,143 Call open int. 316,144
Total put vol. 7,328 Put open int. 323,675
r—Not traded. s—No option offered.
Last is premium (purchase price).

U.S. / AT THE CLOSE

Analysts Recommend Boeing Stock

NEW YORK (Combined Dispatches) — Several Wall Street analysts on Tuesday reiterated buy ratings for Boeing Co. after the company's strong first-quarter earnings report.

Paul Nisbet at Prudential-Bache Securities Inc. called Monday's results "the best quarter I've seen since I began following the company in 1981."

Boeing had earnings of $302 million, or $1.31 a share, down from $459 million, or $1.99 a share, in the comparable 1989 period. But the 1989 quarter included income of $298 million realized through an accounting change. Without the change, Boeing's net would have been up 87 percent.

Thomas Kurlak, a Merrill Lynch & Co. analyst, said he also reiterated a buy rating. "The margins in commercial [aircraft] were high, and there was a record backlog of $84 billion." He noted there were 31 orders for 747 planes in the first quarter, versus 68 for all of 1989. *(Reuters, NYT)*

S&P Watching Union Texas Debt

NEW YORK (Combined Dispatches) — Standard & Poor's Corp. said Tuesday it was reviewing the BB-plus subordinated debt rating of Union Texas Petroleum Holdings Inc. after the firm put itself up for sale Monday.

S&P put the $500 million of debt on its Creditwatch list of ratings that are likely to change. The ratings agency said implications for the debt were developing.

On Monday, Union Texas said it would put itself up for sale to the highest bidder to take advantage of rising values for international energy reserves. Analysts said the company should attract offers near $2.2 billion. In 1988, Tenneco Inc. received $7.6 billion for several energy properties acquired by various bidders.

Kohlberg, Kravis, Roberts & Co., the New York leveraged-buyout firm, and Allied-Signal Inc., the New Jersey-based aerospace and automotive products company, each owns 40 percent of Union Texas. The remainder is held by the public. *(Reuters, NYT)*

Munsingwear Reports Bid by Jacobs

MINNEAPOLIS (Reuters) — Munsingwear Inc. said Tuesday that Irwin L. Jacobs had offered to make a "significant cash investment" in the apparel company in return for an 80 percent stake in it.

The company said Mr. Jacobs would offer to buy stock from existing shareholders at a price of $2 per share. Based on about 4.9 million shares, that would value the firm at $9.8 million. Munsingwear said it would consider the offer and expected to hold negotiations with Mr. Jacobs. Munsingwear stock rose 12.5 cents to $2 on the New York Stock Exchange.

Georgia Pacific to Sell Some Mills

AUGUSTA, Georgia (AP) — Georgia-Pacific Corp. said Tuesday it was considering selling some mills, box plants and timberland in the wake of its pending $4 billion acquisition of Great Northern Nekoosa Corp.

The company's board of directors authorized management to explore the sale of as many as 20 of its mills and plants following its annual shareholders' meeting in Augusta.

The plants targeted for possible sale were chosen because of a "geographic or product redundancy" due to the planned acquisition of Great Northern, according to a company spokeswoman. The acquisition, approved in March, would make Georgia-Pacific the largest U.S. forest-products company.

For the Record

Campbell Soup Co. eliminated 364 jobs at its worldwide headquarters Tuesday, amounting to a 19 percent reduction in its home-office staff. The cuts came on top of the elimination of more than half of the jobs at the company's research facility in Ohio announced earlier in the day. *(UPI)*

A big Texas Air Corp. bondholder said it plans to elect two directors to the company's board after it failed to pay a dividend for six quarters. PaineWebber Inc., which holds about 30 percent of Texas Air's 6.75 percent junior preferred stock, said in a government filing that it would exercise its right to add two directors to the 11-member board. *(AP)*

BAILOUT: *U.S. Sees a Rising, but Uncertain, Price to Rescue Thrifts*

(Continued from first finance page)

off their depositors and shut them down or to pay private investors to take them over.

That spending is swelling the federal deficit and raising urgent questions both in the administration and Congress about the clean-up's impact on the 1991 budget.

Even though part of the money being spent now will be recovered when assets from failed institutions are sold, the entire amount counts as a budget outlay immediately. If the rules are not changed on how these outlays are shown in the federal budget, the spending could make it impossible to meet the 1991 deficit target of $63 billion set by the Gramm-Rudman-Hollings deficit-reduction law.

An amendment to change the Gramm-Rudman rules and exempt S&L clean-up spending from the deficit calculations was approved by the Senate Appropriations Committee last week with the backing of the Bush administration.

The Treasury is in the process of borrowing more than $40 billion to finance the current stage of the cleanup. Though administration officials insist the growing cost is coming as no surprise to financial markets, some analysts believe the additional borrowing is one factor behind the recent rise in long-term interest rates.

Higher rates are a problem for the entire economy, and they add directly to the cost of the S&L cleanup by increasing operating losses at some thrifts and reducing the value of their assets.

Uncertainty about interest rates is one of many factors that make the ultimate cost of the thrift cleanup impossible to calculate with any precision. The government is borrowing the money, and much of the total cost will consist of the interest payments. The administration is in the midst of figuring new estimates and plans to disclose how much more money will have to be spent in a report to Congress.

WORLD STOCK MARKETS

Agence France Presse May 1

Amsterdam	Close	Prev.
ABN Bank	39	38.60
ACF Holding	39.10	38.80
Aegon	118.90	120
Ahold	128.80	130.60
Akzo	118	118.30
AMEV	53.50	54.90
A'Dam Rubber	5.15	5.15
Amro Bank	74.50	74.20
Bols	171.50	172
Buhrmann Tett	63.30	63.40
BVG	24.50	24.50
Center Parcs	52	53.50
CSM	79.90	79.60
DAF	33.30	33.30
DSM	113.40	114
Elsevier	79.10	79.20
Fokker	47.80	47.20
Gist-Brocades	33.60	33.30
Heineken	118	118.50
Hoogovens	79.70	79.90
Hunter Douglas	105	105
IHC Caland	49.40	49.20
Inter Mueller	93.20	93.60
KLM	35.60	35.60
KNP	42.70	42.40
Nat Neder	72.40	72.10
Nedlloyd	89.80	90.60
NMB Bank	50.20	50.30
Oce Grinten	315	316
Pakhoed	178.20	179.30
Philips	38	38.40
Robeco	92.90	93.20
Rodamco	79.80	79.70
Rolinco	90.90	91.10
Rorento	57.80	57.90
Royal Dutch	138	137.90
Unilever	139	139.50
Van Ommeren	38.10	38.40
VMF Stork	54.10	54.30
VNU	93.20	93.70
Wessanen	68.40	69.60
Wolters/Kluwer	N.A.	—
CBS Gen'l trend index : 116.80		
Previous : 116.30		

Brussels (April 30)	Close	Prev.
AG Fin	9690	9690
Arbed	5200	5360
Bekaert	15450	15500
Cockerill	205	204
Cobepa	5610	5630
Delhaize	5760	5780
EBES	4170	4220
GB-Inno-BM	1388	1384
GBL	3925	3940
Gevaert	8400	8500
Hoboken	N.Q.	—
Intercom	3320	3360
Kredietbank	3695	3690
Petrofina	11325	11325
Royal Belge	5260	5200
Soc Gen Bque	4730	4700
Soc Gen (resrv)	3280	3175
Sofina	12800	12900
Solvay	13975	13700
Tractebel	8700	8700
UCB	19150	19300
Unerg Ps	2520	2525
Current Stock Index : 6064.94		
Previous : 6082.19		

Frankfurt (April 30)	Close	Prev.
AEG	291	297.50
Allianz Hold	2405	2433
Altana	447	453
Aska	840	847
BASF	299.50	300
Bayer	301	302.30
Bay. Hypo bank	387	389
Bay Vereinsbk	363	362
BBC	640	659
BHF Bank	463	470
BMW	575	580.50
Commerzbank	274.20	276.20
Continental	287	286.50
Daimler Benz	822.50	825
Degussa	525.20	542
Dt Babcock	226.90	226.60
Deutsche Bank	747.50	751
Douglas	798	798
Dresdner Bank	408	410.50
Feldmuehle	N.Q.	—
Harpener	483	484
Henkel	618.50	627
Hochtief	1260	1275
Hoechst	289	290
Hoesch	326.50	332
Holzmann	1590	1600
Horten	282	312
IWKA	435	436.50
Kali Salz	247.70	249
Karstadt	646	650
Kaufhof	667	671
KHD	282	283.50
Kloeckner Werke	249	250.50
Krupp Stahl	430	435
Linde	950	958
Lufthansa	182	182
MAN	481	481.50
Mannesmann	353	359
Metallgesell	610	615
Muench Rueck	2100	2100
Nixdorf	336.50	337
PKI	N.Q.	539
Porsche	1114	1115
Preussag	459	459.20
PWA	371.50	370.50
[illegible]	470	474.50
Rheinmetall	423	420
Schering	836.80	835.50
SEL	407	412
Siemens	737	743
Thyssen	287	292
Varta	416	414
Veba	448	449.50
VEW	225	228
Viag	404.50	405.50
Volkswagen	555.50	560
Wella	780	780
DAX Index : 1813.25		
Previous : 1825.52		
FAZ Index : N.A.		
Previous : 769.38		

Helsinki (April 30)	Close	Prev.
Amer A	132	118
Enso-Gutzeit	30.50	31
K.O.P.	47	47
Kymmene	97	96
Nokia	82	80
Pohjola	N.Q.	—
Stockmann	187	183
United Papers	145	155
Wartsila	420	416
Unitas Index : 577.80		
Previous : 579.70		

Hong Kong	Close	Prev.
Bk East Asia	13.40	13.30
Cathay Pacific	8.45	8.50
Cavendish Int'l	3.48	3.45
Cheung Kong	11.30	11.20
China Light Pwr	13	13
Dairy Farm Int'l	9.15	9.05
Hang Lung Dev	4.93	4.95
Hang Seng Bank	19.70	19.80
Henderson Land	6.95	7
HK Air Eng.	19.50	19.40
HK China Gas	N.A.	—
HK Electric	7.65	7.75
HK Land	7.70	7.65
HK Realty Trust	4.45	4.48
HK Shang Bank	5.85	5.90
HK Shang Htls	4.73	4.80
HK Telecomm	5.35	5.40
HK Ferry	4.90	5
Hutch Whampoa	10.30	10.20
Hysan Dev	1.18	1.17
Jardine Math.	28.30	28.20
Jardine Str Hld	14.70	14.60
Kowloon Motor	6.90	6.85
Mandarin Orient	5.90	5.90
Miramar Hotel	6.90	6.90
New World Dev	10.30	10.50
SHK Props	13.30	13.40
Stelux	1.53	1.53
Swire Pac A	17.30	17.20
Tai Cheung Prps	4.03	4.03
TVE	1.01	1.03
Wharf Hold	7.50	7.50
Wing On Co	7.15	7.15
Winsor Ind.	7.95	8.05
World Int'l	3.80	3.80
Hang Seng Index : 2945.18		
Previous : 2958.09		

Johannesburg (April 30)	Close	Prev.
AECI	16	16
Altech	55	56
Anglo Amer Corp	118.10	117.50
Barlows	40.15	40
Blyvoor	72.50	72
Buffels	61.50	60
GFSA	87.50	87.50
Harmony	26.25	26.50
Highveld Steel	17.50	17.15
Kloof	38	38.50
Nedbank Grp	10	9.25
Rusplat	81.75	79.50
SA Brews	33.50	33.25
St Helena	41.50	41
Sasol	11.80	11.65
Welkom	25.50	25
Western Deep	145	143
Composite Stock Index : 3026		
Previous : 3087		

London	Close	Prev.
Allied Lyons	4.20	4.15
Anglo Am Gld	50.88	N.Q.
AA Corp	17.75	N.Q.
Asda-MFI Gp	0.91	0.91
Ass Brit Foods	3.85	3.85
Barclays	5.10	5.02
Bass	9.40	9.32
B.A.T.	6.98	6.93
Blue Circle	2	2.02
BOC Group	5.08	5.09
Boots	2.55	2.53
Bowater	4.51	4.48
BAe	5.15	5.22
BAA	2.79	2.75
Brit Airways	1.96	1.97
British Gas	1.92	1.86
BP	3.06	3.03
British Steel	1.37	1.35
Brit Telecom	2.49	2.45
BTR	3.90	3.95
Burmah Oil	5.64	5.58
Cable Wire	4.67	4.72
Cadbury Sch	3.07	3.03
Charter Cons	4	4.10
Comm Union	4.42	4.42
Cookson	1.88	1.91
Courtaulds	2.95	2.88
Dalgety	3.58	3.45
De Beers	13.75	13.38
Dixons	1.20	1.20
Driefontein	6.86	7.23
Eurotunnel	5.45	5.63
Fisons	3.28	3.26
Gen Acc F	10.05	10.02
GEC	1.97	1.96
GKN	3.83	3.80
Glaxo	7.62	7.43
Grand Met	5.44	5.52
Gt Univ Stores	13.50	13.50
GRE	2.14	2.14
Guinness	6.70	6.65
Hanson Tr	2.15	2.12
Hawker Sidd	6.08	5.99
ICI	10.87	10.78
Kingfisher	2.71	2.69
Land Sec	4.60	4.59
Legal Gen Grp	3.47	3.53
Lloyds Bank	2.52	2.40
Lonrho	2.29	2.23
Lucas Ind	5.90	5.88
Marks Sp	1.87	1.85
Maxwell	1.78	1.77
MB Group	1.93	1.91
Midland Bk	2.78	2.75
NatWest	3.08	3.07
Pearson Grp	6.57	6.47
P and O	5.66	5.69
Pilkington	1.97	1.98
Prudential	1.87	1.90
Racal Elec	1.86	1.82
Randfontein	3.05	3.06
Rank Org	7.42	7.39
Reed Intl	3.78	3.80
Reuters	10.48	10.43
Rolls Royce	1.99	1.97
Royal Dutch	44.31	44.06
RTZ	5.23	5.17
Saatchi	0.94	0.93
Sainsbury	2.53	2.52
Sears Holds	0.88	0.88
Shell	4.30	4.27
Skbeec	4.45	4.60
STC	2.41	2.35
Std Chart Bk	4.88	4.83
Storehouse	1	1.02
Sun Alliance	3.01	2.99
Tate and Lyle	2.71	2.70
Tesco	1.94	1.93
Thorn EMI	6.50	6.51
T.I. Group	4.44	4.43
Trafalgar Hse	2.90	2.85
THF	2.43	2.41
Ultramar	3.25	3.18
Unilever	6.13	6.13
Utd Biscuits	3.10	3.04
Vickers	2.10	2.12
War Loan 3½	29.94	29.75
Wellcome	6.63	6.62
Woolworth	60.20	N.Q.
F.T. 30 Index : 1663.50		
Previous : 1653.60		
F.T.S.E. 100 Index : 2117.90		
Previous : 2103.60		

Madrid (April 30)	Close	Prev.
Bco. Bilbao/Viz.	3125	3145
Banco Central	4245	4210
Bco. Santander	4860	5000
Banesto	3730	3750
Dragados	2855	2840
Iberduero	618	617
Telefonica	821	820
S.E. General Index : 272.22		
Previous : 272.75		

Milan (April 30)	Close	Prev.
Banca Comm	4820	4900
Bastogi	350	351.75
Cigahotels	5380	5453
CIR	5210	5325
Cred Ital	2625	2645
Enimont	1430	1428
Eridania	9380	9440
Ferruzzi Fin.	3023	3046
Ferruzzi Agr.	2505	2506
Fiat SPA	10335	10325
Generali	40050	40100
IFI	27890	27850
Italcem	12910	12930
Italgas	2701	2700
Italmobiliare	20660	20790
Mediobanca	19900	19950
Montedison	1980	1990
NBA	N.Q.	—
Olivetti	7085	7145
Pirelli	2720	2760
RAS	23450	23900
Rinascente	7365	7310
Saipem	2850	[illegible]
SIP	1550	1562
SME	3828	3870
Snia	2605	2632
Standa	33800	33850
Stet	5480	5435
Toro Assi Risp	22250	22250
a: x 100.		
MIB current index : 1085.10		
Previous : 1087.00		

Montreal	Close	Prev.
Alcan Aluminum	23⅛	23½
Bank Montreal	25⅝	25½
Bell Canada	38⅞	38⅞
Bombardier A	15	15¼
Bombardier B	15⅛	15
Cambior	N.Q.	13½
Cascades	4	3.85
CB Pak	N.Q.	—
Dominion Text A	11	11½
Donohue	N.Q.	10
MacMillan Bl	16	16
Memotec	9½	9½
Natl Bk Canada	8	9
Noverco	14⅛	14⅛
Power Corp.	15	15
Provigo	8⅝	8¼
Quebec Tel	15	15¼
Quebecor A	12	N.Q.
Quebecor B	9⅞	9½
Videotron	10½	11
Industrials Index : 1495.52		
Previous : 1491.47		

Paris (April 30)	Close	Prev.
Accor	935	952
Air Liquide	712	714
Avions Dassault	523	524
Bancaire (Cie)	626	629
BIC	633	637
Bongrain	3220	3200
Bouygues	636	650
BSN-GD	798	806
Carrefour	3370	3430
Cerus	418	419
C.G.E.	609	610
Chargeurs	1138	1178
Club Med	665	682
Dumez	601	609
Elf-Aquitaine	662	657
Europe 1	1375	1366
Gen. Eaux	2570	2596
Hachette	441	440
Havas	1622	1660
Imetal	360	360
Lafarge Coppee	415.90	419.40
Legrand	4270	4250
Oreal (L')	5240	5280
L.V.M.H.	4685	4760
Matra	396.70	394.20
Merlin Gerin	5790	5790
Michelin	137.80	138.90
Moulinex	138	133
Occidentale	745	738
Paribas	670	676
Pernod-Ricard	1279	1294
Perrier	1695	1693
Peugeot	860	871
Printemps (Au)	586	591
Radiotechnique	719	720
Raff. St. Louis	1519	1548
Redoute (La)	3201	3102
Roussel Uclaf	2200	2200
Saint Gobain	600	602
Sanofi	1040	1061
Skis Rossignol	1084	1085
Societ. Generale	597	601
Suez	470.10	475
Telemecanique	4830	4766
Thomson-CSF	144.40	145
Total	698	686
Valeo	670	674
CAC 40 Index : 2046.46		
Previous : 2066.27		

Sao Paulo (April 30)	Close	Prev.
Banco do Brasil	12	11.30
Bradesco	0.80	0.70
Brahma	3.10	3.15
Paranapanema	0.67	0.70
Petrobras	136	142
Vale Rio Doce	43	46.50
Varig	16.50	18.10
Bovespa Index : 15387		
Previous : 16092		

Singapore (April 30)	Close	Prev.
Cerebos	N.Q.	—
City Dev.	3.04	3.10
DBS	12.30	12.50
Fraser Neave	8.70	8.70
Genting	7.40	7.45
Harrisons Plant	1.53	1.55
How Par	2.58	2.59
Hume	3.18	3.16
Inchcape	5.40	5.50
Keppel	6.95	7.05
KL Kepong	2.72	2.82
Lum Chang	1.42	1.43
Malayan Banking	7.80	7.75
OCBC	8.40	8.40
OUB	4.42	4.40
OUE	8.50	8.40
Sembawang	6.60	6.55
Shangrila	9.95	9.95
Sime Darby	2.55	2.63
SIA	12.90	13.10
Spore Land	14.60	14.70
Spore Press	7.95	7.90
Sing Steamship	3.06	3.06
Straits Trading	3.26	3.28
UOB	5.85	5.75
United Overseas	1.96	1.98
Straits Times Ind. : 1458.48		
Previous : 1470.44		

Stockholm (April 30)	Close	Prev.
AGA	260	263
Alfa Laval	220	220
Asea	652	665
Astra-A	398	404
Atlas Copco	305	310
Electrolux B	264	263
Ericsson	934	940
Esselte-A	225	225
Handelsbanken	95	100
Pharmacia-A	226	226
Norsk Hydro	189.50	187
Saab-Scania	250	250
Sandvik	295	290
SCA-A	130	127
S-E Banken	70.50	70.50
Skandia Intl-A	N.Q.	—
Skanska	498	500
SKF	154	152
Stora	295	295
Volvo	328	333
Affaersvaerlden : 1115.40		
Previous : 1127.60		

Sydney	Close	Prev.
ANZ	4.84	4.88
BHP	8.90	8.98
Bond	N.Q.	—
Boral	3.20	3.24
Bougainville	1.20	1.28
Coles Myer	7.40	7.42
Comalco	3.70	3.75
CRA	11.05	11
CSR	4.79	4.80
Dunlop	4.58	4.58
Elders IXL	1.74	1.80
ICI Australia	4.58	4.50
Magellan	1.55	1.55
MIM	2.07	2.09
Nat Aust Bank	6.14	6.14
News Corp	9.76	10.10
N Broken Hill	2.18	2.19
Poseidon	2.20	2.28
QCT Resources	1.38	1.36
Santos	4.15	4.17
TNT	2.42	2.45
Western Mining	4.49	4.60
Westpac Banking	5.08	5.12
Woodside	2.92	2.92
All ordinaries index : 1440.60		
Previous : 1454.50		

Tokyo	Close	Prev.
Akai Electr	974	968
Asahi Chemical	872	878
Asahi Glass	1740	1730
Bank of Tokyo	1350	1340
Bridgestone	1380	1410
Canon	1730	1720
Casio	1670	1640
C.Itoh	840	825
Dai Nippon Print	1950	1910
Daiwa House	2070	2080
Daiwa Securities	1440	1450
Fanuc	7160	7100
Fuji Bank	2560	2530
Fuji Photo	4190	4080
Fujitsu	1430	1410
Hitachi	1600	1590
Hitachi Cable	1080	1080
Honda	1760	1780
Ito Yokado	3920	3840
Japan Air Lines	17000	16100
Kajima	1660	1670
Kansai Power	3440	3370
Kawasaki Steel	590	590
Kirin Brewery	1800	1790
Komatsu	1060	1080
Kubota	987	934
Kyocera	7410	7290
Matsu Elec Inds	2180	2130
Matsu Elec Wks	1940	1920
Mitsubishi Bk	2280	2270
Mitsubishi Kasei	745	752
Mitsubishi Elec	979	971
Mitsubishi Hev	923	922
Mitsubishi Corp	1370	1360
Mitsui and Co	910	910
Mitsukoshi	1700	1690
Mitsumi	1110	1110
NEC	2140	2100
NGK Insulators	1450	1450
Nikko Securities	1240	1190
Nippon Kogaku	1390	1380
Nippon Oil	1160	1140
Nippon Steel	571	575
Nippon Yusen	881	895
Nissan	1090	1080
Nomura Sec	2120	2100
NTT (SF)	16351	16227
Olympus Optical	1590	1590
Pioneer	4000	3950
Ricoh	1180	1190
Sanyo Elec	840	830
Sharp	1750	1680
Shimazu	1160	1150
Shinetsu Chem	1570	1570
Sony	8450	8360
Sumitomo Bk	2520	2480
Sumitomo Chem	675	679
Sumi Marine	1110	1070
Sumitomo Metal	598	598
Taisei Corp	1170	1170
Taisho Marine	1080	1050
Takeda Chem	1790	1790
TDK	7060	6880
Teijin	735	736
Tokyo Marine	1480	1440
Tokyo Elec Pw	4180	4060
Toppan Printing	1840	1820
Toray Ind.	820	811
Toshiba	1050	1030
Toyota	2330	2280
Yamaichi Sec	1240	1230
Nikkei 225 : 29698		
Previous : 29582		
New Index : 2215		
Previous : 2197		

Toronto	Close	Prev.
Abitibi Price	14⅝	15
Agnico Eagle	7⅛	7⅛
Air Canada	9⅜	9½
Alberta Energy	16⅛	14½
Am Barrick Res	19¼	18⅞
BCE	38⅛	38⅛
BCED	0.39	0.33
Bk Nova Scotia	12⅝	12¾
BC Gas	13⅝	14½
BC Phone	17	16⅝
BP Canada	18	18
Bramalea	14½	14⅝
Brunswick	9⅝	N.Q.
CAE	6	6⅛
Campeau	2⅛	N.Q.
CIBC	24½	N.Q.
Canadian Pacific	21⅛	21
Can Packers	13	13
Can Tire A	21⅝	21⅞
Cantor	23⅝	23⅝
Cara	13⅝	14⅛
CCL Ind B	8¼	N.Q.
Cineplex	5⅝	5½
Cominco	27⅞	27⅞
Conwest Expl A	N.Q.	—
Corona A	7⅛	7¾
Denison Min B	1.40	1.45
Dickenson Min A	4.80	4.60
Dofasco	19⅞	20
Dylex A	6½	6⅝
Echo Bay Mines	15⅛	16⅛
Equity Silver A	2	2
FCA Intl	9⅛	9⅛
Fed Ind A	12⅝	13
Fletcher Chall A	14	14⅛
FPI	4.90	4⅞
GoldCorp	4⅞	4⅞
Grafton Group	N.Q.	—
Gulf Cda Res	14½	14¼
Hees Intl	24	24
Hemlo Gld Mines	13⅝	13½
Hollinger	12	11⅞
Horsham	9⅛	9½
Hudson Bay	6⅞	7
Imasco	34⅝	34⅝
Inco	28⅝	28⅝
Interhome	45½	45½
Jannock	14⅝	14¾
Labatt	20⅝	20⅝
Loblaw Co	14⅝	14⅝
Mackenzie	6⅝	6⅝
Magna Intl A	3⅝	3.55
Maritime	16	16⅛
Mark Res	10⅛	10⅛
MacLean Hunt X	N.Q.	—
Molson A	25⅛	25⅛
Noma Ind A	N.Q.	—
Noranda	18⅞	18⅞
Noranda Forest	10	10
Norcen Energy	24⅛	24
Nova Corp	7⅞	7⅞
Oshawa	29⅛	29⅛
Pagurin A	7⅛	7⅛
Placer Dome	17⅛	17½
Poco Petroleum	5⅛	N.Q.
PWA Corp	11⅛	11⅛
Quebec Sturgeon	N.Q.	—
Rayrock	8⅜	8⅛
Renaissance	25½	25⅜
Rogers B	7⅞	8⅛
Rothmans	N.Q.	—
Royal Bank Can	20½	20⅝
Royal TrustCo	14⅛	14⅛
Sceptre Res	3.55	3½
Scott's Hosp	14⅛	14⅛
Seagram	87⅝	88
Sears Can	11⅛	11⅛
Shell Can	38	38
Sherritt Gordon	7½	7⅛
SHL Systemhse	4.70	4.70
Southam	22⅞	22⅞
Spar Aerospace	8⅛	8⅛
Stelco A	16⅝	16⅝
Teck B	22⅞	22½
Thomson News	15⅝	15½
Toronto Domn	17⅛	17⅛
Torstar B	27	26⅝
Transalta Util	12⅛	12½
TransCda Pipe	15	14⅞
Triton Finl A	17⅞	17½
Trimac	6⅜	6⅜
Trizec A	18⅛	18⅛
Turbo Resources	0.40	0.41
Unicorp A	2.35	N.Q.
Woodward's Ltd	1.60	1.60
TSE 300 Index : 3334.10		
Previous : 3342.96		

Zurich (April 30)	Close	Prev.
Adia Intl	1385	1430
Alusuisse	1140	1175
Bank Leu	2290	2400
Brown Boveri	5550	5575
Ciba Geigy	2900	2910
CS Holding	2150	2180
Elektrow	2850	2840
Fischer	2160	2210
Interdiscount	3970	3990
Jacobs Suchard	6825	6850
Jelmoli	1980	2000
Landis Gyr	1400	1400
Moevenpick	4950	4980
Nestle	8250	8350
Oerlikon-B	960	935
Pargesa Hld	1350	1425
Roche Holding B	3540	3575
Sandoz	1950	1985
Schindler	6550	6550
Sulzer	690	692
Surveillance	4540	4680
Swissair	960	1000
SBC	285	287
Swiss Reinsur	475	483
Swiss Volksbank	1470	1465
Union Bank	N.Q.	3230
Winterthur	3230	3230
Zurich Ins	N.Q.	1680
SBS Index : 682.20		
Previous : 688.50		

U.S. FUTURES

Via Associated Press May 1

Grains

Season High	Season Low	Month	Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.32	3.47	May	3.74½	3.76	3.67½	3.67½	—.06¾
3.85	3.32	Jul	3.45¾	3.54	3.41	3.41¾	—.04
3.73	3.38½	Sep	3.51¾	3.60	3.47½	3.48	—.03¾
3.80	3.50½	Dec	3.64	3.72	3.60	3.60¾	—.04
3.85	3.56½	Mar	3.71	3.76	3.60½	3.61½	—.03¾
3.72	3.52	May	3.63	3.63	3.60	3.60	+.02½
Est. Sales		Prev. Sales 19,345					
Prev. Day Open Int. 51,054 off 1,909							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.89½	2.30	May	2.83	2.89¾	2.79¾	2.83¾	+.02½
2.85	2.31	Jul	2.84¼	2.91¼	2.81	2.84¾	+.01¼
2.79¼	2.29	Sep	2.76¼	2.83½	2.74½	2.76¼	—.00¼
2.75	2.22	Dec	2.71	2.78	2.69	2.70¼	—.01
2.80	2.41	Mar	2.77	2.82¼	2.74	2.75	—.01¾
2.82½	2.49¼	May	2.79¼	2.85¼	2.77	2.77¼	—.02
2.84½	2.63	Jul	2.84	2.86	2.80	2.80	—.01¼
Est. Sales		Prev. Sales 52,588					
Prev. Day Open Int.254,436 off 2,487							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.78	5.46¼	May	6.31	6.55	6.24½	6.27½	—.05
7.31	5.78	Jul	6.48	6.71¼	6.40½	6.43½	—.05
7.05	5.78	Aug	6.57½	6.77	6.46	6.49¼	—.04½
6.61	5.68	Sep	6.54	6.76	6.46	6.48½	—.04¼
6.67	5.64½	Nov	6.60	6.82	6.53	6.55	—.05
6.76	5.87	Jan	6.69½	6.91	6.62	6.65¼	—.04¾
6.85	5.65½	Mar	6.79½	7.01	6.75	6.75¼	—.04¾
6.92	4.14½	May	6.86¼	7.05	6.81	6.84½	—.04½
Est. Sales		Prev. Sales 65,782					
Prev. Day Open Int.135,285 up 609							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
220.50	163.00	May	183.80	192.00	182.50	185.50	+1.40
208.00	167.80	Jul	188.90	196.70	187.50	190.10	+1.20
194.00	170.10	Aug	190.80	198.00	189.50	192.00	+1.30
197.00	171.50	Sep	193.20	200.00	191.50	194.00	+1.00
196.50	173.80	Oct	194.50	200.00	193.00	195.20	+1.00
201.50	174.00	Dec	197.80	205.50	196.50	198.90	+1.20
201.50	178.00	Jan	204.00	204.00	198.50	200.20	+1.00
204.80	181.00	Mar	203.00	212.00	201.80	204.00	+1.30
203.00	188.00	May				204.50	+1.50
204.00	189.50	Jul	206.80	206.00	206.00	206.00	+0.00
Est. Sales		Prev. Sales 21,531					
Prev. Day Open Int. 81,742 off 1,039							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
26.05	19.20	May	23.45	23.82	22.60	22.87	—.58
25.80	19.50	Jul	23.60	24.85	22.75	22.98	—.64
22.90	19.50	Aug	23.42	24.80	22.80	22.95	—.64
23.75	19.50	Sep	23.45	23.82	22.65	22.85	—.62
23.45	19.65	Oct	23.15	22.55	22.55	22.65	—.55
23.33	19.75	Dec	23.05	23.45	22.35	22.52	—.54
22.25	19.81	Jan	22.95	23.25	22.30	22.37	—.60
22.85	19.82	Mar	22.80	23.20	22.35	22.40	—.50
23.00	20.15	May	22.45	23.00	22.30	22.37	—.38
22.82	21.05	Jul	22.80	22.80	22.20	22.15	—.42
Est. Sales		Prev. Sales 22,175					
Prev. Day Open Int.104,161 up 1,281							

Livestock

Season High	Season Low	Month	Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
74.20	69.75	Jun	73.12	73.80	73.07	73.22	+.25
73.17	69.12	Aug	71.75	72.55	71.67	71.92	+.27
74.80	68.30	Oct	74.12	74.45	73.80	73.85	—.30
74.90	71.00	Dec	74.80	74.97	74.52	74.60	—.22
75.12	72.50	Feb	74.97	75.10	74.65	74.67	—.30
72.75	74.15	Apr	75.70	75.90	75.25	75.37	—.38
Est. Sales 16,981		Prev. Sales 9,849					
Prev. Day Open Int. 84,693 off 590							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
83.40	78.60	May	82.65	83.18	82.58	82.55	—.18
82.80	78.50	Aug	82.40	82.65	82.15	82.32	—.38
82.50	78.00	Sep	82.18	82.27	81.80	82.00	+.18
82.30	78.20	Oct	82.08	82.25	81.85	82.05	+.10
82.45	79.00	Nov	81.95	82.50	81.85	82.22	+.42
82.45	79.75	Jan	82.17	82.25	81.85	82.27	+.12
81.95	80.90	Mar	81.70	81.70	81.50	81.50	+.05
Est. Sales 1,570		Prev. Sales 1,819					
Prev. Day Open Int. 12,181 off 1,215							
HOGS (CME) 30,000 lbs.- cents per lb.							
63.70	44.25	Jun	63.45	64.55	63.45	63.85	+.73
62.67	44.95	Jul	62.25	63.62	62.25	62.80	+.68
60.45	43.70	Aug	59.95	61.37	59.98	60.45	+.78
54.10	48.00	Oct	53.05	54.18	53.85	53.22	+.35
53.30	44.35	Dec	52.15	53.10	52.15	52.57	+.52
51.50	45.25	Feb	51.20	51.47	50.95	51.07	+.17
48.75	45.15	Apr	48.20	48.80	48.15	48.30	+.28
51.55	50.45	Jun	51.40	51.45	51.18	51.18	+.10
Est. Sales 13,799		Prev. Sales 6,837					
Prev. Day Open Int. 41,451 up 534							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
66.65	39.50	May	67.50	68.65	67.35	68.65	+2.00
66.50	39.95	Jul	67.10	68.85	67.30	68.85	+2.00
64.85	39.20	Aug	65.15	66.75	65.10	66.75	+2.00
63.40	48.07	Feb	59.45	60.90	59.10	59.67	+.80
61.30	58.30	Mar	59.45	59.65	59.50	59.58	+.80
61.20	57.80	May	60.80	60.00	59.60	59.70	+.80
Est. Sales 4,371		Prev. Sales 6,742					
Prev. Day Open Int. 17,136 up 377							

Food

Season High	Season Low	Month	Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
124.50	72.75	May	92.25	93.25	92.00	92.98	—.25
132.25	74.85	Jul	93.75	94.80	93.50	93.82	—.91
128.00	77.25	Sep	95.50	96.70	95.60	95.73	—.71
109.50	81.00	Dec	98.80	98.50	96.80	96.96	—.87
116.75	83.00	Mar	100.40	100.50	100.40	100.50	+.25
123.00	91.25	May	101.00	101.00	101.00	101.00	—.15
118.00	92.75	Jul	103.00	103.00	103.00	103.00	—1.75
108.90	106.25	Sep				105.13	—.62
Est. Sales 1,292		Prev. Sales 4,070					
Prev. Day Open Int. 40,324 up 57							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
16.10	10.55	Jul	16.00	16.27	15.72	15.96	—.06
15.93	10.40	Oct	15.88	16.13	15.62	15.86	—.06
15.04	12.10	Mar	14.99	15.22	14.74	15.02	—.01
14.87	13.00	May	14.83	15.05	14.70	14.87	+.01
14.70	13.15	Jul	14.55	14.90	14.55	14.73	+.10
.72	.72	Oct				14.56	
Est. Sales 39,529		Prev. Sales 26,959					
Prev. Day Open Int.180,498 up 856							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1465	905	May	1300	1305	1290	1300	+22
1384	921	Jul	1309	1327	1299	1324	+27
1400	941	Sep	1334	1343	1319	1340	+27
1407	965	Dec	1348	1366	1338	1355	+21
1419	985	Mar				1373	+25
1428	1000	May				1385	+23
1440	1060	Jul	1388	1401	1385	1401	+20
Est. Sales 5,043		Prev. Sales 3,979					
Prev. Day Open Int. 49,841 up 94							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
205.85	122.50	May	192.75	194.25	191.50	194.25	+1.30
205.50	123.00	Jul	191.00	192.80	188.40	192.60	+1.68
202.00	123.50	Sep	186.00	187.50	184.00	187.00	+.95
199.50	124.00	Nov	179.00	180.25	178.00	180.25	+.55
191.00	125.00	Jan	174.10	175.80	173.00	175.50	+1.40
190.50	170.50	Mar	173.00	173.00	173.00	175.40	+1.40
190.00	171.75	May				174.75	+1.25
		Jul				174.75	+1.25
Est. Sales		Prev. Sales 1,731					
Prev. Day Open Int. 11,308 off 350							

Metals

Season High	Season Low	Month	Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
125.80	94.50	May	118.70	123.40	118.70	122.10	+3.30
120.50	95.20	Jun	114.00	118.80	114.00	117.30	+4.40
117.10	93.25	Jul	110.60	114.50	110.40	113.20	+4.10
113.20	95.00	Aug	110.80	110.80	110.80	111.85	+3.95
113.30	92.50	Sep	107.00	110.50	106.50	109.50	+4.75
109.00	94.50	Oct				108.45	+4.65
108.50	94.50	Nov				107.25	+4.65
110.00	71.50	Dec	104.00	107.00	104.00	106.10	+4.30
103.70	94.00	Jan				105.80	+4.50
99.50	99.50	Feb				105.00	+3.90
106.00	92.30	Mar	101.00	102.25	101.00	103.10	+3.50
103.25	97.80	May				101.30	+3.50
		Jul				100.50	+2.50
		Sep				99.50	+2.50
		Dec				99.50	+2.50
		Jan				99.40	+2.50
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
75.00	65.00	May				73.75	
		Jun				73.50	
95.50	66.80	Jul				73.50	
74.50	74.50	Sep				73.50	
		Dec				73.50	
		Jan				73.50	
		Mar				73.50	
		May				73.50	
		Jul				73.50	
		Sep				73.50	
		Dec				73.50	
		Jan				73.50	
Est. Sales		Prev. Sales 7					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
910.0	488.0	May	495.0	503.0	494.0	501.3	+8.1
517.1	496.0	Jun	504.5	504.5	504.5	505.5	+8.1
761.5	497.0	Jul	503.0	513.0	502.0	509.5	+8.0
740.0	505.0	Sep	512.5	521.5	510.0	518.3	+8.1
742.0	517.0	Dec	524.0	533.0	522.0	530.4	+8.2
698.0	542.0	Jan	526.0	529.0	529.0	534.3	+8.3
645.0	530.0	Mar	537.0	545.0	537.0	542.3	+8.3
647.0	539.0	May	542.0	544.0	542.0	550.7	+8.4
667.5	548.0	Jul				559.2	+8.4
654.0	557.0	Sep				568.2	+8.4
622.5	569.5	Dec				581.1	+8.4
596.0	596.0	Jan				585.3	+8.4
		Mar				594.1	+8.4
Est. Sales 17,000		Prev. Sales 15,722					
Prev. Day Open Int. 96,543 off 2,149							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
556.00	465.00	Jul	478.00	485.50	476.00	479.70	+5.40
568.50	473.00	Oct	485.00	489.00	483.00	486.20	+5.60
551.00	484.50	Jan	491.40	495.00	490.30	493.00	+5.90
554.50	492.00	Apr	497.00	497.00	497.00	499.20	+5.90
570.00	504.00	Jul				505.40	+5.90
Est. Sales		Prev. Sales 1,871					
Prev. Day Open Int. 16,415 off 40							
PALLADIUM (NYME) 100 troy oz.- dollars per oz.							
		May				119.45	+2.40
175.00	115.05	Jun	117.50	120.00	117.50	119.95	+2.60
149.50	116.50	Sep	120.00	122.00	119.50	121.45	+2.45
147.00	119.25	Dec				122.95	+2.45
142.00	123.00	Mar				124.45	+2.45
Est. Sales		Prev. Sales 698					
Prev. Day Open Int. 5,241 up 114							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
378.80	368.50	May	368.00	368.00	368.00	370.80	+1.60
497.00	367.00	Jun	372.50	374.20	370.40	372.70	+1.30
		Jul	374.40	374.40	374.40	375.10	+1.30
487.00	372.00	Aug	377.20	379.80	375.50	377.40	+1.30
472.00	379.50	Oct	382.30	383.00	381.70	382.00	+1.40
455.50	381.50	Dec	388.00	389.00	385.90	387.70	+1.40
457.50	389.00	Feb	392.30	393.30	392.20	392.90	+1.50
440.00	395.00	Apr	397.80	397.00	396.50	397.80	+1.50
446.20	399.00	Jun	403.50	403.50	403.50	403.10	+1.50
468.00	409.30	Aug				408.10	+1.40
474.00	414.50	Oct				413.60	+1.50
483.00	415.00	Dec				419.20	+1.60
433.00	422.50	Feb				424.80	+1.70
Est. Sales 27,000		Prev. Sales 29,365					
Prev. Day Open Int.121,401 up 1,484							

Financial

Season High	Season Low	Month	Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.45	91.10	Jun	92.09	92.10	91.95	91.98	—.08
93.65	91.28	Sep	91.92	91.96	91.79	91.81	—.10
92.22	91.74	Dec	91.81	91.84	91.67	91.67	—.11
Est. Sales		Prev. Sales 4,592					
Prev. Day Open Int. 32,339 up 318							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-4	92-29	Jun	93-12	93-22	93-29	93-2	—5
100-14	92-26	Sep	93-1	93-2	92-26	93-1	—4
94-27	95-10	Dec				92-31	—4
		Mar				92-30	—4
Est. Sales		Prev. Sales 8,602					
Prev. Day Open Int. 60,085 off 20,958							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-15	75	Jun	89-3	89-14	88-13	88-22	—3
100-4	79-1	Sep	88-26	89-4	88-7	88-17	—3
99-24	80	Dec	88-19	89	88	88-12	—3
99-12	79-21	Mar	88-1	88-8	88-1	88-6	—2
99-4	82-18	Jun	88-1	88-6	88-1	88-4	—2
99-5	86-4	Sep	88	88	87-26	88	—1
98-20	87-19	Dec	87-22	87-28	87-22	87-28	
98-13	88	Mar				87-24	+1
97-19	90-20	Jun				87-20	+2
93-12	93-4	Sep				87-15	+2
Est. Sales		Prev. Sales 97,621					
Prev. Day Open Int.306,459 off 10,035							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-13	87-2	Jun	88-6	88-16	87-25	88	
95-11	86-21	Sep	86-23	86-23	86-23	86-28	—3
87-27	86-30	Dec				86-16	—3
Est. Sales		Prev. Sales 1,070					
Prev. Day Open Int. 11,864 up 149							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.45	88.82	Jun	91.21	91.23	91.09	91.12	—.07
92.39	88.74	Sep	90.94	90.99	90.79	90.81	—.11
92.15	89.85	Dec	90.72	90.76	90.59	90.62	—.09
92.01	88.96	Mar	90.62	90.65	90.50	90.53	—.08
91.85	89.91	Jun	90.52	90.55	90.42	90.45	—.06
91.78	90.04	Sep	90.49	90.52	90.39	90.45	—.04
91.78	90.04	Dec	90.47	90.50	90.38	90.46	—.03
91.76	90.09	Mar	90.44	90.47	90.36	90.44	—.02
91.74	90.35	Jun	90.42	90.45	90.35	90.41	—.01
91.72	90.30	Sep	90.40	90.40	90.37	90.38	—.01
91.53	90.24	Dec	90.31	90.34	90.25	90.33	+.02
91.65	90.38	Mar	90.33	90.34	90.29	90.33	+.02
91.51	90.37	Jun	90.33	90.33	90.27	90.34	+.01
91.47	90.27	Sep	90.32	90.33	90.32	90.33	+.01
91.37	90.22	Dec	90.29	90.32	90.29	90.23	—.03
90.77	90.24	Mar	90.36	90.36	90.34	90.27	—.03
Est. Sales		Prev. Sales 69,850					
Prev. Day Open Int.433,752 off 8,085							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.6822	1.4400	Jun	1.6240	1.6324	1.6222	1.6312	+32
1.7700	1.5290	Sep	1.6006	1.6060	1.5986	1.6060	+26
1.5740	1.5640	Dec	1.5800	1.5810	1.5770	1.5840	+30
Est. Sales		Prev. Sales 12,647					
Prev. Day Open Int. 25,039 up 2,776							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8570	.8088	Jun	.8530	.8537	.8526	.8532	+6
.8470	.8093	Sep	.8433	.8439	.8432	.8437	+7
.8420	.8058	Dec	.8350	.8362	.8348	.8352	+8
.8365	.7990	Mar	.8270	.8270	.8270	.8273	+9
.8399	.7995	Jun	.8205	.8205	.8205	.8196	+10
Est. Sales		Prev. Sales 5,804					
Prev. Day Open Int. 29,053 up 2,118							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6460	.5057	Jun	.5941	.5963	.5928	.5954	—8
.6450	.5525	Sep	.5945	.5956	.5930	.5956	—8
.6118	.5769	Dec	.5941	.5941	.5941	.5956	—8
.6025	.5820	Mar	.5946	.5946	.5946	.5956	—8
Est. Sales		Prev. Sales 22,382					
Prev. Day Open Int. 65,896 up 530							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007530	.006254	Jun	.006310	.006328	.006296	.006307	+1
.007390	.006266	Sep	.006334	.006349	.006325	.006329	+1
.007080	.006290	Dec				.006353	+1
.006605	.006315	Mar				.006377	+1
Est. Sales		Prev. Sales 15,326					
Prev. Day Open Int. 74,209 up 129							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.6902	.5850	Jun	.6857	.6883	.6847	.6869	—17
.6870	.6050	Sep	.6842	.6870	.6842	.6866	—17
.6845	.7400	Dec	.6856	.6856	.6850	.6864	—17
.6725	.6500	Mar	.6880	.6880	.6880	.6880	—17
Est. Sales		Prev. Sales 20,795					
Prev. Day Open Int. 42,625 off 1,064							

Industrials

Season High	Season Low	Month	Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
205.90	180.00	May	194.50	195.00	194.10	194.60	+.90
205.00	177.50	Jul	198.00	199.20	197.70	198.60	+.90
204.80	192.00	Sep	198.20	199.10	198.20	198.90	+1.40
200.00	189.90	Nov	196.40	196.60	196.00	196.40	+1.40
201.30	186.30	Jan				198.10	+.80
202.30	191.00	Mar	198.90	198.90	198.90	198.90	+.40
201.00	196.50	May				199.10	+.60
Est. Sales 1,800		Prev. Sales 527					
Prev. Day Open Int. 4,804 off 186							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
78.85	55.90	May	73.40	74.10	73.20	73.60	—.37
78.70	63.70	Jul	74.04	74.70	73.74	74.28	—.36
72.20	63.95	Oct	69.26	69.90	69.05	69.55	+.05
69.20	62.80	Dec	66.80	67.60	66.75	67.33	+.36
68.45	63.82	Mar	67.70	68.27	67.70	68.08	+.23
68.00	64.40	May	68.00	68.65	68.00	68.43	+.38
77.40	65.67	Jul	68.00	68.90	68.00	68.78	+.30
		Oct				64.85	+.30
Est. Sales		Prev. Sales 4,018					
Prev. Day Open Int. 35,953 up 427							
HEATING OIL (NYME) 42,000 gal- cents per gal							
57.70	44.50	Jun	51.15	53.20	51.10	52.95	+1.50
57.20	46.80	Jul	51.20	52.75	50.95	52.55	+1.35
57.40	47.80	Aug	52.05	53.45	51.80	53.30	+1.22
58.00	48.00	Sep	53.40	54.80	53.30	54.75	+1.32
59.40	51.80	Oct	54.15	55.15	54.15	55.15	+.75
60.15	52.85	Nov	56.00	56.70	55.90	56.70	+1.40
60.40	54.60	Dec	56.80	57.35	54.00	57.35	+1.24
60.60	54.60	Jan	57.00	57.09	56.45	57.09	+1.10
56.00	54.35	Feb	55.75	56.24	55.75	56.24	+.61
54.75	52.00	Mar	54.30	54.30	54.30	54.30	+.40
51.80	51.30	Jun	51.00	51.00	51.00	51.00	+.25
		Jul	50.80	50.80	50.80	50.80	—.19
Est. Sales		Prev. Sales 29,252					
Prev. Day Open Int. 88,457 off 503							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
22.05	14.50	Jun	18.50	18.92	18.39	18.80	+.26
21.80	14.60	Jul	19.18	19.63	19.17	19.59	+.36
21.43	16.39	Aug	19.59	19.95	19.58	19.87	+.28
21.52	16.50	Sep	19.90	20.25	19.90	20.25	+.26
21.46	16.90	Oct	20.13	20.37	20.10	20.33	+.19
21.50	17.30	Nov	20.16	20.39	20.10	20.39	+.19
21.50	12.80	Dec	20.20	20.40	20.12	20.40	+.19
21.25	17.87	Jan	20.16	20.41	20.12	20.40	+.19
21.43	18.15	Feb	20.12	20.31	20.12	20.28	+.18
21.45	18.40	Mar	20.12	20.28	20.12	20.28	+.11
21.45	18.63	Apr	20.20	20.29	20.12	20.28	+.16
21.45	16.45	May	20.20	20.28	20.27	20.30	+.13
21.45	17.08	Jun	20.25	20.28	20.23	20.28	+.13
21.45	18.70	Jul	20.10	20.34	20.10	20.25	+.12
		Aug	20.10			20.20	+.06
Est. Sales		Prev. Sales 51,366					
Prev. Day Open Int.278,395 off 6,427							

Stock Indexes

Season High	Season Low	Month	Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
373.20	324.70	Jun	333.00	334.50	331.75	333.65	+1.55
372.50	329.80	Sep	337.45	339.10	334.50	338.25	+1.32
356.98	333.50	Dec	341.85	342.00	341.70	342.45	+1.35
345.00	343.30	Mar	345.50	345.50	345.50	347.40	+1.50
Est. Sales		Prev. Sales 42,874					
Prev. Day Open Int.127,944 up 749							
VALUE LINE (KCBT) points and cents							
377.30	264.40	Jun	268.50	269.30	267.70	268.90	+1.00
270.75	272.00	Sep				272.85	+1.00
287.20	279.30	Dec				277.85	+1.00
Est. Sales		Prev. Sales 117					
Prev. Day Open Int. 1,454 up 27							
NYSE COMP. INDEX (NYFE) points and cents							
205.45	179.00	Jun	182.75	183.50	182.00	183.05	+.70
209.00	181.00	Sep	185.05	185.45	184.75	185.35	+.70
206.50	182.75	Dec	187.30	187.30	187.00	187.65	+.70
196.00	193.15	Mar				189.95	+.70
Est. Sales		Prev. Sales 5,886					
Prev. Day Open Int. 5,218							

Commodity Indexes

	Close	Previous
Moody's	1,188.30 f	1,179.80 f
Reuters	1,935.80	1,926.80
D.J. Futures	133.49	132.92
Com. Research	246.46	245.81

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Prices Fall After Dublin Funding Call

Reuters

DUBLIN — Prices on the Dublin Stock Exchange fell Monday and Tuesday after Ireland's largest bank announced the biggest funding call ever made by an Irish public company.

Allied Irish Banks PLC, launching a $217 million takeover bid for the Bank of Baltimore, sought to raise 162 million punts ($243 million) in a rights issue.

Its size surprised analysts, and the announcement wiped 220 million punts off share values on the Dublin exchange on Monday, when the market's index lost about 2½ percent. The index fell almost 30 points Tuesday, to 1,583.66.

The Bank of Baltimore chairman, Harry Robinson, compared the bid with the "slash-and-burn" technique of the hostile raider."

An Allied Irish Banks spokesman said the bid was friendly, although unsolicited. The group's corporate strategy director, Diarmaid Moore, said the group would be reluctant to launch a hostile bid for the bank.

Last week, Allied Irish Banks revealed that its wholly owned U.S. subsidiary, First Maryland Bancorp, had paid $6.8 million for a 4.98 percent stake in the Bank of Baltimore, one of its smaller competitors.

When launching the bid on Monday, Allied Irish Banks announced that its own profit for the year ending March 31 was expected to be 237 million punts, up 52 percent on the previous year.

The group also said First Maryland Bancorp had made a $217 million bid for the 95.1 percent of Baltimore Bancorp it does not already own. The offer is worth $17 a share.

In another development, workers at Waterford Wedgwood PLC voted unanimously Monday to continue their four-week-old strike at the debt-ridden firm.

The 2,300 workers at Waterford's three plants went on strike over management cost-cutting plans when the company stopped bonus payments for 500 glass cutters.

The Waterford chief executive, Paddy Galvin, said in a statement he wanted to meet union leaders "to try to resolve a highly dangerous and traumatic impasse."

In March, a group of investors led by Tony O'Reilly, the Irish-born chairman of the U.S. food giant H.J. Heinz & Co., and the New York investment bank Morgan Stanley & Co., took a 29.9 percent stake in the Waterford Wedgwood group.

Pathe Says It Has Access to Funds

But Filing on MGM Offer Is Vague About Their Source

By Geraldine Fabrikant
New York Times Service

NEW YORK — Pathe Communications Inc. seemed to indicate, in documents filed with the U.S. Securities and Exchange Commission, that it had access to the remaining $450 million of financing needed for its planned $1.2 billion purchase of MGM/UA Communications Inc.

But Pathe was vague in the filing on Monday as to how it would raise the money.

The papers described Comfinance SA, the company that is to put up the money, as a Luxembourg-based affiliate of Pathe.

But the commitment was contingent on Comfinance's obtaining the financing, the papers said, and as has been typical of the somewhat mysterious deal, *the papers gave little data on Comfinance.*

A spokesman for Pathe said that Comfinance's principal shareholders are Pathe's president, Giancarlo Parretti, and chairman, Florio Fiorini. Mr. Parretti did not return telephone calls requesting comment.

One executive who has followed MGM/UA said he believed that Pathe was attempting to sell some other assets, including a real estate business it owns in Spain, and that it could use the proceeds toward the purchase of MGM/UA.

In the SEC filing, Pathe said that it had begun discussions with MGM/UA about selling certain motion pictures to MGM for $75 million. Pathe said money from the sale would be used to finance its tender offer for MGM.

Pathe has agreed to acquire MGM/UA Communications for $1.2 billion, or $20 a share. It has put up $100 million.

In its filing, Pathe said it was extending the closing of the tender offer to May 10, from April 30.

A spokeswoman for Time Warner Inc., which has agreed to guarantee a $650 million loan or to make a six-year bridge loan itself if Pathe cannot arrange the financing elsewhere, said the company had not seen Monday's filing.

Time Warner is eager to see the deal done because it would give its subsidiary Warner Brothers the right to distribute United Artists films. Additionally, the 1,000-film library would serve as collateral for the Time Warner loan.

Even so, a number of Wall Street analysts said that it was one of the strangest deals they had seen in years.

"MGM/UA has lost money for the past three years, and Pathe has lost money for the past four years," said David Londoner, a media analyst at Wertheim & Co.. "Put the two companies together and add $650 million to $1 billion of debt to the capital structure. And you have to ask yourself: does this remain viable?"

The document filed with the Securities and Exchange Commission states that Comfinance has the right to enlist "other affiliates of the buyer" in connection with the $450 million.

It adds, however, that the obligation of Comfinance and other potential investors to make a $450 million deposit, which Pathe could then use to buy MGM/UA stock, was conditioned, among other things, on their obtaining acceptable financing.

There was no indication as to whether that financing was currently in place.

Mr. Parretti was convicted of fraudulent bankruptcy in a court in Naples, Italy, on March 30 and sentenced to almost four years' imprisonment in absentia. Although he has appealed the decision, several analysts said that the conviction might make it more difficult for him to obtain bank financing.

Beyond that, the deal's economics are unusual.

Last year MGM/UA had a loss of $74.7 million on sales of $876.6 million. And in 1987 it lost $88.1 million on sales of $450.6 million. The company has debt of about $400 million, primarily in high-interest junk bonds.

Even if Pathe is able to get $200 million in production loans, it could need additional financing.

Atlantic's Liabilities May Hit £1 Billion

Reuters

LONDON — Atlantic Computers PLC, the troubled concern from which its parent British & Commonwealth PLC is disengaging, may have liabilities to creditors of up to £1 billion ($1.64 billion), its administrator said Tuesday.

"We estimate potential gross liabilities of £500 million to £1 billion," said Peter Padmore of Price Waterhouse, the administrator. "It is virtually impossible at this stage to estimate the likely returns for creditors but the prospects are far from good and no early return is likely," he said at a news conference.

Mr. Padmore said that all significant recoveries would depend largely on the extent to which proceeds from Atlantic's overseas subsidiaries flowed into Britain.

B&C last month cut itself off from Atlantic, saying it was making a £550 million write-off for its subsidiary and was seeking to raise £750 million to reduce its £1 billion debt.

Mr. Padmore said Atlantic's net-asset realization was "a considerably smaller" figure than its liabilities and he believes the company will eventually be put into liquidation.

The review of Atlantic's situation is at an early stage, Mr. Padmore said, but he estimated that more *than half of Atlantic's liabilities are* held by creditor banks. He said Royal Bank of Canada is "a major player" among some 200 bank funders, but declined to elaborate.

"It will be a long, hard grind and it is difficult to quantify Atlantic's assets," he said. "The liabilities will take years to crystallize."

Atlantic's U.S. operations, which owe about £84 million to the British companies, have no current liquidity problems and their creditors are being supportive, Mr. Padmore said.

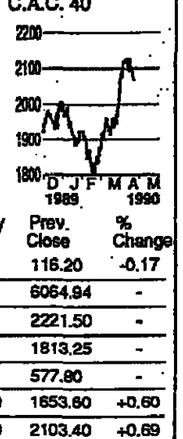
Separately, British & Commonwealth said that holders of its unsecured loan stock had decided not to take action against the company.

It said Law Debenture Trust Corp., acting as trustee for holders of the company's unsecured loan stock, guaranteed bonds and convertible subordinated unsecured loan stock, had decided that B&C was in breach of contract.

Law Debenture, B&C said, "does not presently intend in its discretion to take the steps provided in the relevant trust deeds."

B&C faces possible liquidation from its loan-stock holders after Law Debenture found that the company was in technical breach of its covenants.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	116.00	116.20	-0.17
Brussels	Stock Index	Closed	6064.94	-
Frankfurt	Commerzbank	Closed	2221.50	-
Frankfurt	DAX	Closed	1813.25	-
Helsinki	UNITAS	Closed	577.80	-
London	Financial Times 30	1663.50	1653.60	+0.60
London	FT-SE 100	2117.90	2103.40	+0.69
Madrid	General Index	Closed	272.22	-
Milan	MIB	Closed	1005.10	-
Paris	CAC 40	Closed	2046.46	-
Stockholm	Affaersvaerlden	Closed	1115.40	-
Zurich	SBS	Closed	602.20	-

Source: AFP International Herald Tribune

U.K. Confidence Low, Job Losses Predicted

Reuters

LONDON — Thousands of jobs will be lost as British factories struggle to stay competitive in the face of rising costs, a major employers' group predicted on Tuesday.

The Confederation of British Industry said its latest survey of industrial companies showed no let-up in a slump in business confidence that began 18 months ago.

Companies' profits are being squeezed by rising labor costs and high interest rates, the CBI said. Falling demand at home is making it hard for firms to keep up with increased productivity achieved by foreign competitors.

"As a result, it seems likely that many thousands of jobs will be lost," said David Wigglesworth, a CBI official. "Great Britain is not in good shape compared with its European and other overseas rivals."

British unemployment in March was a seasonally adjusted 1.6 million, or 5.6 percent of the work force, compared with the highest jobless total on record of 3.1 million, or 11.3 percent, in July 1986.

There were more cheerful forecasts that export prospects remained buoyant and industrial output is expected to rise slightly.

The CBI survey showed that 27 percent of companies are optimistic about exports over the next year while only 13 percent are pessimistic.

It said that 25 percent of firms predicted an increase in production over the next four months, while 20 percent thought output would decline.

Car Sales Surge Across Europe In 1st Quarter

Reuters

LONDON — Western European car sales rose to new heights in the first quarter of 1990 and remain on track for a sixth successive record year, an industry newsletter reported Tuesday.

The Automotive Industry Data newsletter said car sales in Western Europe rose 2.3 percent in the first three months, to 3.69 million, and sales for the whole year look set to break last year's all-time high of 13.4 million.

The sales surge was led by consumers in West Germany, France *and Italy, though the newsletter* said the growth pace appears to be slackening. Sales fell back in Britain and Spain, where high interest rates continued to keep buyers out of showrooms.

The newsletter said new car sales in March reached 1.36 million, topping year-ago levels by 0.9 percent. Sales in West Germany, Europe's biggest market, rose 2.1 percent.

Bankers Hope Latest Eurotunnel Raising Is Last

Reuters

LONDON — A plan by Eurotunnel to raise £2 billion ($3.3 billion) in loans and equity for the Channel tunnel is likely to meet with approval from bankers as long as this is the last time they are asked to provide new funds, analysts said Tuesday.

"Most bankers would be relaxed with the new figures, as long as they can be assured Eurotunnel doesn't come back in 18 months for another £500 million," a banker said.

Eurotunnel, the Anglo-French consortium, said on April 23 it planned to raise about £1.5 billion in loans due to higher costs, on top of the £5 billion it has already raised from international banks.

Eurotunnel's chief executive, Alastair Morton, said he expected that this would be the final fund-raising exercise.

"We don't expect to go through this again," he said at a news conference called to announce the group's yearly progress report.

Mr. Morton said he expected the funding to be fully in place by the end of the year.

Analysts believe that the task of convincing the bankers that this is the final request for funds was one of the critical issues confronting Eurotunnel. The venture's projected completion date is June, 1993.

Estimated construction costs have risen to about £7.5 billion from less than £5 billion in 1987, and there is still a difference of some £700 million between Eurotunnel and the contractors Transmanche Link over lump-sum costs.

Mr. Morton also said Eurotunnel would raise between £400 million and £500 million through an equity issue, which could take the form of "quasi-equity" such as a convertible bond issue.

Eurotunnel raised about £800 million in a public offering in 1987, which Richard Hannah, an analyst at the UBS/Phillips & Drew brokerage, said had brought investors a return of 17.7 percent.

Mr. Hannah noted that Eurotunnel *could raise money from the sale* of bonds, which would allow bondholders to receive interest.

"The disadvantage to Eurotunnel is that it would have to borrow money to pay interest on its bond issue," Mr. Hannah said.

Analysts said one problem was that the market was insufficiently aware of the timing of revenues and profits, though there was little doubt that higher costs would have a negative effect on profits.

Mr. Morton acknowledged that profits at the outset would be reduced to "moderate" levels from "very high" levels, but he did not elaborate.

Mr. Hannah said Eurotunnel's first dividend to shareholders, which was not expected to be paid before 1997, would depend to a significant extent on the group's ability to stimulate traffic through the tunnel.

Mr. Morton said that despite rising costs, the tunnel would meet competition.

LVMH Does Not Accept Louis Vuitton Accounts

Compiled by Our Staff From Dispatches

PARIS — The team that won a bitter battle for control of the French luxury-goods concern LVMH Moët Hennessy-Louis Vuitton has refused to approve the Louis Vuitton subsidiary's accounts, in what is seen as part of a continuing legal dispute over contracts made by the deposed camp.

Last week, Henry Racamier, the former chairman of Louis Vuitton, lost a tortuous court and boardroom battle against the LVMH chairman, Bernard Arnault, and resigned all his positions.

But with court cases involving LVMH and Vuitton still pending, LVMH decided at its long-postponed shareholders' meeting not to approve the 1988 results, an LVMH spokeswoman said.

The Louis Vuitton board meeting had been postponed several times to allow completion of court action pitting Mr. Arnault, 41, against Mr. Racamier, 77.

That dispute, over whether special shares held by the Arnault side should be annulled, went against Mr. Racamier in an appeal court ruling on Thursday, putting Mr. Arnault in charge of LVMH.

Jean Dromer, who took over from Mr. Racamier, made only a brief reference at the meeting to the boardroom battle. "I can only regret," he said, "that some believed they could confuse the rights and privileges of an all-powerful family owner with reality and the duties of minority shareholder in a much larger group."

(Reuters, AFP)

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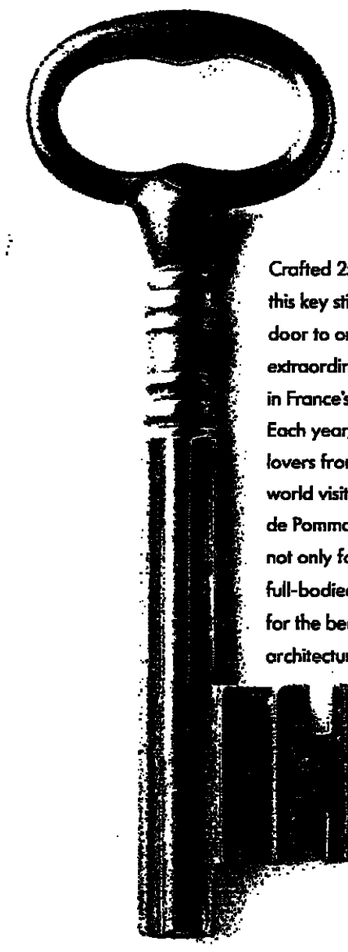

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AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
A										
4	2¾	ABM G			27	139	2¾	3¼	3¼	
5⅞	2¾	AIFS				1	5⅜	5⅝	5⅝	
10½	8¾	AIM Str	1.08	12.0		82	9	8⅞	9	+ ⅛
4¼	2	AIM Tel			53	35	2⅛	2	2⅛	
12½	5¼	AMC			127	119	8⅞	8⅝	8⅝	+ ⅛

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
8¼	5¾	BSN				62	5⅝	5⅝	5⅝	
1⅞	⅝	BSN wt				21	⅝	⅝	⅝	
18	8¾	Baker			15	2	16⅛	15⅞	15⅞	
15⅞	7¼	Baldw s	.10	1.1	12	93	8⅞	8½	8½	− ⅛
8½	5¾	BelfrM	.16	2.4		29	6⅞	6⅝	6⅝	

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
15¾	9½	EcolEn	.14	.9	17	43	15⅝	15½	15⅝	+ ⅛
18⅞	13	Edisto n				294	16⅜	15⅞	15⅞	− ⅝
19½	15⅝	Edisf pf	2.40	14.4		19	16⅞	16	16	− ⅜

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
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wi — when issued.
ww — with warrants.
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z — sales in full.

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(w) Trans Europe Fund FL 82.82
(w) Trans Europe Fund $ 43.45
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(m) Alpha Global Fund $ 606.16
(m) Alpha Hedge Fund $ 323.75
(m) Alpha Pacific Fund Ltd. $ 259.47
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(m) Nicholas-Applegate Hge Fd $ 102.42
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هكذا من الأصل

Japan Aims to Overtake U.S. in New Computer Technology

By David E. Sanger
New York Times Service

TOKYO — The Japanese government is developing plans for a concerted attack on a highly promising advanced computer technology in which the United States now holds a substantial lead.

The technology is known as massively parallel processing, in which tens of thousands of independent processors are combined in a single machine to solve problems in recognizing images, translating spoken languages and tracking everything from giant gene pools to incoming missiles.

While some problems can be solved now by supercomputers using one or a handful of processors, massively parallel systems can greatly speed up computations with thousands of processors running simultaneously, much as if thousands of gates were added to a congested highway toll station.

Japan's hopes for the research effort, which promises to be one of the country's biggest high-technology efforts in the 1990s, are included in the Japanese government's first assessment of how it should follow up on its Fifth Generation project to create computers that could reason much as human beings do.

The Fifth Generation project was announced nine years ago to establish the fundamentals of "intelligent" machines.

While there has been progress in Japan and other nations on the development of systems that can simulate such mental processes as the diagnosis of a disease, the project has fallen short of its early, ambitious goals to enable people to communicate with computers through ordinary language.

In many ways, the new endeavor in parallel processing appears to acknowledge that the earlier goals were far too ambitious and focuses Japan's effort on software that will give the machines more immediate commercial application.

In these efforts, the hardware is simple to build, in contrast to the enormously complex software needed to coordinate thousands of processors efficiently.

The report does not give details but is expected to be followed by a more specific study next year.

So far, the most promising work in parallel processing — the biggest fundamental change in the way computers have been designed since their invention nearly five decades ago — has been conducted in the United States.

Much of the pioneering work has been conducted under a Pentagon-financed project known as the Strategic Computing Initiative.

The effort has been opposed by many officials in the U.S. government, who say the government should not interfere in market forces by picking certain industries or technologies for special aid.

Earlier this month, the director of the Defense Advanced Research Projects Agency, or DARPA, was removed from his job, apparently because of his advocacy of government-financed high-technology projects, many of which have been directed at parallel processing.

Several Japanese companies are building parallel processors, including the Fifth Generation project's machine with 64 processors.

Nonetheless, the Japanese government report discusses the eventual prospects for a computer using millions of processors, a goal well beyond current technology in either country. In the United States, about a dozen small companies have parallel-processing computers on the market, but they use far fewer microprocessors.

The chief challenge is less the computer hardware itself than the software that makes it possible to coordinate the work of so many processors effectively.

The work is considered particularly important here because the development of advanced computer systems is one of the few high-technology areas in which the Japanese, who have excelled in consumer electronics and semiconductors, have enjoyed little success in markets outside their own country.

Although Japan's official endorsement of parallel processing comes amid a bitter dispute within the U.S. government over industrial policy, there is a growing movement in Congress to counter Japan's system of organizing industry to focus on the most promising technologies.

Japan has used this technique in the electronics, automobile and semiconductor industries.

The Fifth Generation project itself has been embroiled in a very different kind of dispute. But it is one that Japanese officials and industry experts do not like to discuss in public: whether the ambitious project has proven a vast disappointment.

While the project has had some limited success, even Japanese computer experts acknowledge that it has fallen far short of its goal to "change computer history" and to achieve conceptual breakthroughs in teaching computers to make humanlike inferences, if not actually reason their way through simple problems.

"Its original goal was to rewrite the history of computing, and it did not," said Edward A. Feigenbaum, a professor of computer science at Stanford University and the co-author of a 1983 book that contributed to many of the fears that Japan was about to make a significant leap forward in computer technology.

By implication, the report acknowledged that the most ambitious goals of the Fifth Generation project had not been realized. It seems to suggest a return to basics, starting with parallel processing.

A parallel-processing computer might be envisioned as thousands of construction workers rushing to complete a building.

But as any manager knows, efficiency does not necessarily increase according to the number of extra hands sharing the work. At times, it can be a hindrance.

The problem is coordination.

Solving such problems calls for entirely new kinds of software to coordinate the processors, and that has not usually been an area of Japanese strength.

But many experts believe that stereotypes about Japanese skills in these areas are rapidly becoming outdated.

"I don't buy into the notion that there is a fundamental weakness in Japan in software," said Danny Hillis, who invented the Connection Machine, a 64,000-processor parallel computer developed by Thinking Machines Corp., of Cambridge, Massachusetts.

"We are ahead because we started our research earlier, but we face the danger of blowing our lead, especially if we do not commercialize the technology fast enough."

Chrysler Net Slides But Meets Forecasts

Compiled by Our Staff From Dispatches

DETROIT — Chrysler Corp. posted on Tuesday a 79.8 percent slide in first-quarter profit, but the results were at the upper end of Wall Street estimates and surprised some analysts, who had expected a loss.

Observers praised the carmaker for cost-cutting measures that allowed it to earn $8 million on its car and truck business.

Chrysler reported first-quarter earnings of $71 million, or 32 cents a share, mainly due to a record $89 million profit by finance and leasing subsidiary Chrysler Financial Corp. Chrysler's income in the year-ago quarter was $351 million.

Revenue in the lastest quarter was $6.5 billion, down 24.8 percent from $8.6 billion in the 1989 period.

Despite the sharply lower earnings and rebate costs that virtually doubled from a year ago, Lee A. Iacocca, the company's chairman, said the results were a substantial improvement from the fourth quarter of 1989, when Chrysler lost $664 million — its first deficit since 1982.

Analysts said Chrysler's vehicle operations were profitable despite ferocious competition, sharply lower production rates and heavy buyer discounts.

"This is certainly better than most of Wall Street anticipated," said John Kirnan, of Kidder Peabody & Co. in New York. "Chrysler's cost-cutting certainly hit the bottom line faster than I would have anticipated and resulted in a saving of over $200 million during the quarter."

David Healy of Barclays Bank BZW in New York said Chrysler's latest showing was helped because it took the bulk of costs for plant closings and more than 2,000 white-collar staff reductions in the fourth quarter.

COMPUTE: *U.S. Scientist Seeks Program to Outpace Supercomputer*

(Continued from Page 1)

vative designs can compete with traditional systems.

In some parallel machines, all processes are controlled by a single instruction; in the Bolt Baranek & Newman computer that Mr. Brooks is using, each processor can be assigned a different task.

Mr. Brooks thinks that making software breakthroughs on this more complicated computer will yield the greatest increases in speed.

"Microprocessors are going to become a match for the fastest supercomputers," he said. "And it's not 10 years in the future; it's not five years in the future; it's going to happen only a couple of years from now."

To bolster his case for the power of even a single microprocessor, Mr. Brooks cites IBM's new RISC System/6000 work station. After the company introduced it last month, Mr. Brooks tried some of his Cray Research supercomputer programs on the new desktop computer and found that they ran faster than on Cray's X/MP supercomputer.

More recently, a report prepared by researchers at the Los Alamos National Laboratories supported Mr. Brooks's findings. It shows that the new IBM machine matches Cray supercomputers for certain kinds of problems.

The arrival of the killer micros at this California bastion of supercomputing has not taken place without some pain, Mr. Brooks acknowledges. Several generations of scientists have grown up with the older machines, and change comes slowly.

But many of the leading computer designers in the United States now agree that a trend toward microprocessor-based systems is inevitable.

"I think the traditional supercomputers are becoming dinosaurs," said Gordon Bell, the designer of the VAX computer for Digital Equipment and a founder of Stardent Computers, a maker of a microprocessor-based minisupercomputer. "The micro guys are just going to kill them."

But other scientists think there will be no easy breakthroughs in parallel computing, and that for many years the fastest computers will remain machines like those designed by Cray.

One who differs with Mr. Brooks is Dieter Fuss, a physicist who manages the world's fastest Cray supercomputers at the Livermore laboratory.

He thinks conventional supercomputers will remain the best method of solving the largest scientific problems because they excel at mathematical operations on long strings of numbers at blinding speeds. Mr. Fuss worries that the United States is in danger of losing its lead in this area to the Japanese.

Others are skeptical that advances in programming will come easily. "If I were a traditional supercomputer manufacturer, I wouldn't close up shop just yet," said Omri Serlin, an industry analyst who follows supercomputers from Los Altos, California.

"Eventually, he will be right," he said of Mr. Brooks. "The issue is how soon is eventually."

BANKS: *Dwindling Deposits Put the Squeeze on Hong Kong Institutions*

(Continued from first finance page)

many institutions" in Hong Kong. According to Mr. Nicolle, the ratio of Hong Kong dollar loans to deposits rose from 92 percent in 1986 to 117 percent in 1989, the highest ratio in the last 10 years.

Earlier this month, the Hong Kong Association of Banks, a group of 12 local and overseas banks that sets interest rates, moved Hong Kong's prime interest rates from 10 percent to 11 percent to encourage investors to buy and save local dollars.

Although the effect of the increase has yet to be felt, bank analysts said Hong Kong interest rates have reached their limit. Local banks have little room to shift interest rates because of the link between the Hong Kong and U.S. dollars, which can only be preserved by matching the credit rate policies of the U.S. Federal Reserve Board.

In August 1989, for example, Hong Kong lowered its prime rate to 10 percent from 10.5 after a similar move in the United States, despite an unusually high 10 percent inflation level in the colony. Lower lending rates helped sustain the demand for Hong Kong dollar loans, which rose by 26 percent in 1990 after easing from 32 percent growth in 1988, according to a report from Baring Securities.

Much of the borrowed Hong Kong dollar funds have been invested in southern China's Pearl River Delta region, where about 70 percent of the colony's manufacturers have built factories to take advantage of cheap labor and low production costs.

"As demand for capital from China's hinterland increases, so too will the demand for Hong Kong dollar loans," said John Mulcahy, director of research for Peregrine Brokerage Ltd.

However, the end-use of Hong Kong dollar loans is becoming increasingly muddled. According to figures from Hong Kong's monetary affairs office, local banks last year loaned 108 billion Hong Kong dollars ($13.9 billion) to borrowers who did not specify where or how the money would be used. That figure represents an increase of 97 percent compared with loans issued under the same conditions in 1988.

Hong Kong's property sector, which enjoyed robust growth for the three years before the crackdown on demonstrators in Beijing last June, has also fueled credit demand.

"Fortunately, the property market didn't collapse after June 4, so everyone's worst fears weren't realized," said Kathy Kearney, senior research analyst at ChinTung Ltd., a local securities firm. "But the rate of Hong Kong dollar lending in 1989 was taken as a signal that the economy was overheated and the Hong Kong banking community was in a pretty precarious position."

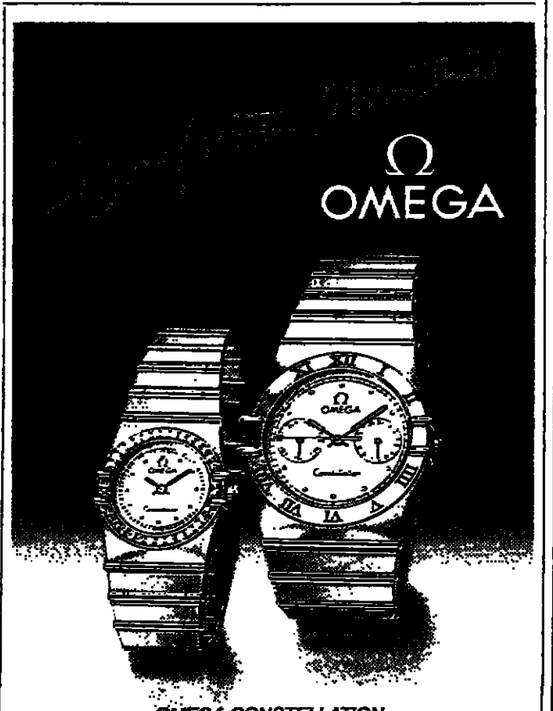
Local banks would welcome the chance to tighten credit further to combat inflation and discourage borrowing. But with Hong Kong interest rates already higher than those in the United States, analysts said, local banks feel another rise in interest rates would strain the currency link.

Hong Kong interest rates are usually below those in the United States, but will occasionally creep higher on speculation that the peg will be removed or readjusted, according to analysts. The prime rate increase last month, which surprised many analysts, spotlighted the banking community's concern over the cash outflow from the colony.

According to government estimates, more than 50,000 Hong Kong citizens are expected to leave Hong Kong this year for other countries.

"It's inevitable that when you have that many people leaving Hong Kong with their families, that they'll take an enormous amount of money with them," said Mr. Mulcahy. "The full 1 percent increase in the prime rate last month was a sign that the government wanted Hong Kong dollars to come back into the system."

Although analysts said they do not expect the shortage of Hong Kong dollars to topple the banking community here, they said it will likely drive borrowing costs higher.



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2nd May, 1990

NYSE

Tuesday's Closing

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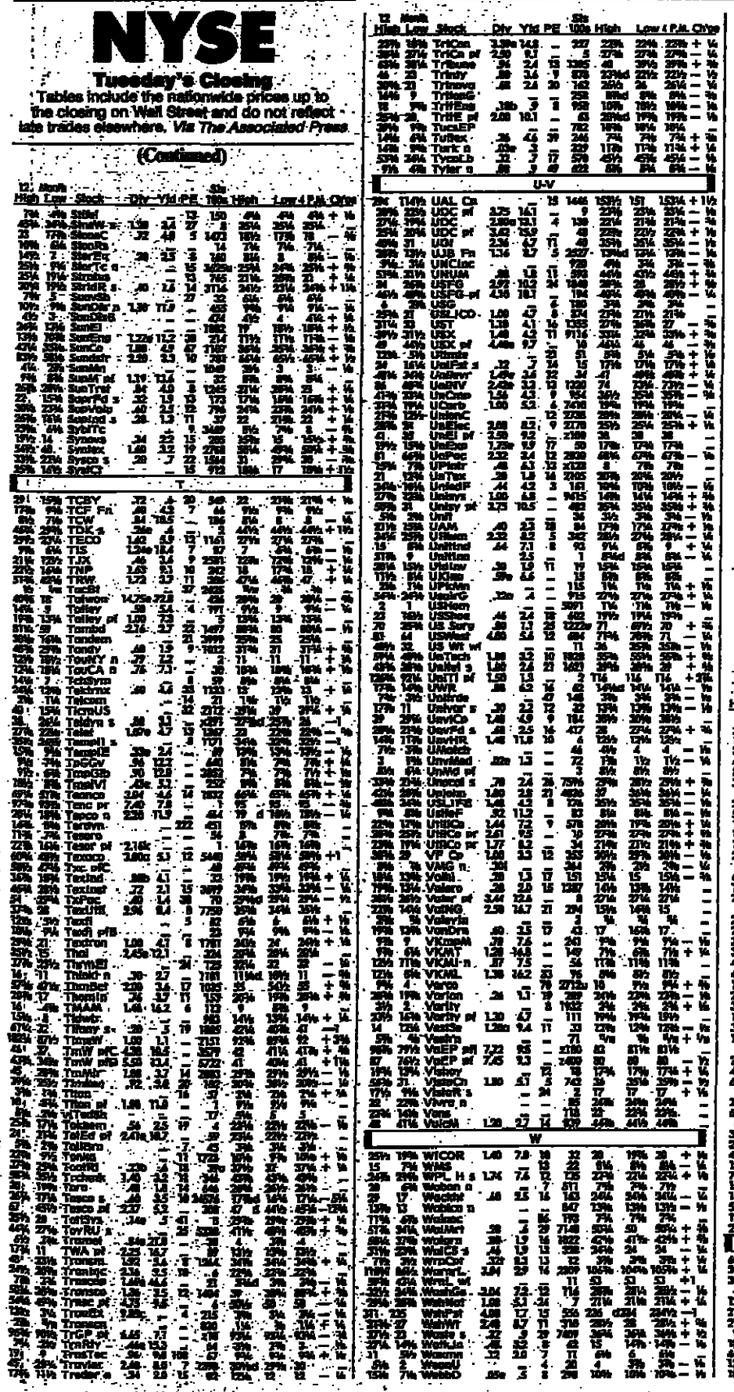
(Continued)



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Malaysian Firm to Buy Assets Linked to Party

Reuters

KUALA LUMPUR — Renong Bhd., a Malaysian real estate and investment concern, has announced plans to buy control of eight locally listed and 10 unlisted companies, all linked to the ruling Malay political party, for a total of *1.23 billion ringgit ($452.9 million).*

Analysts said the acquisitions, announced in a statement by Renong's advisers Bumiputra Merchant Bankers Bhd., appeared to be a bid by the United Malays National Organization, the ruling party, to regroup its assets under a new flagship company.

Bumiputra Bankers said Renong will become the holding company of UMNO's Fleet Group and of the party's main financial arm, United Engineers Malaysia Bhd., once the acquisitions are approved.

Trading in Renong shares was suspended Monday on the Kuala Lumpur Stock Exchange. They closed at 3.80 ringgit last Wednesday, the most recent trading day, compared with 1.25 ringgit in mid-January.

Bumiputra Bankers said Renong would buy the entire capital of Fleet Group, amounting to 55.7 million shares worth 794.9 million ringgit, from Fleet Holdings Bhd., and the entire capital of another UMNO investment arm, Hatibudi Nominees, amounting to one million shares worth 244.9 million ringgit, from three Hatibudi directors.

Renong will also buy a 2 percent stake in United Engineers, amounting to 2.43 million shares worth 30.13 million ringgit, and United Engineers convertible and unsecured loan stock amounting to 156.25 million ringgit.

"This amalgamation of high-quality investments will result in Renong becoming the holding company of a very strong group with a very strong financial foundation," said the Bumiputra Bankers statement, which was issued to the Kuala Lumpur Stock Exchange.

Fleet Group controls Malaysia's main English-language newspaper and has interests in a private television station, an insurance company, a commercial bank and a merchant bank.

Fleet Group also controls a 50 percent stake in Projek Lebuhraya Utara-Selatan, known as PLUS, a company that won a multi-million-ringgit contract in 1987 to operate the North-South highway being built by United Engineers, which will run the length of peninsular Malaysia.

Fleet Group also has a 23.8 percent stake in Hume Industries (Malaysia) Bhd., a listed industrial conglomerate.

The Bumiputra Bankers statement said Renong would finance the acquisitions by issuing 1.22 billion new shares of 50 sen par value each, for one ringgit per share. Renong currently has 109.94 million 50-sen shares worth 54.97 million ringgit.

After the acquisitions, Renong will have an issued share capital of over 660 million ringgit with an estimated net tangible asset value of 1.26 billion ringgit, Bumiputra Bankers said.

Renong will then be 63.9 percent owned by Fleet Holdings.

Loan Shift By ADB Doubtful

Reuters

TOKYO — The board of the Asian Development Bank will refuse China's request to restore loans that have been suspended since last summer when the bank's directors meet in New Delhi this week, delegates said Tuesday.

The loans were suspended after China's crackdown on prodemocracy demonstrations in June 1989.

Delegates said the ADB's board of governors, representing 49 member governments, will leave China, the bank's third-largest shareholder, dangling at a three-day meeting beginning Wednesday.

Some delegates said the resumption of lending to China might not even feature prominently at the meeting.

"I don't expect this issue to come to the forefront of the meeting," said one delegate. "Nobody is suggesting change is imminent."

Delegates said China's team, to be headed by the central bank chief Li Guixian, will be lobbying for support, but the ADB's two major shareholders, the United States and Japan, will still hold out.

Any decision to renew lending is not likely before the Group of Seven leading industrialized democracies' meeting in Houston in July, an ADB official said.

Seoul Share Prices Recover After Government Intervenes

Compiled by Our Staff From Dispatches

SEOUL — Stock prices jumped Tuesday after the government apparently changed tacks and decided to attack real-estate speculation in a bid to save South Korea's stock market from collapse.

The composite index of the Seoul Stock Exchange, which had fallen 31.71 points to an 18-month low on Monday, bounced back 29.79 points to 718.45.

The move marked a reversal from statements made by top government officials only Saturday, when Deputy Prime Minister Lee Seung Yun ruled out steps to aid the market. Tuesday's move will attempt to force conglomerates such as securities and insurance firms to sell real estate held for speculation. Businesses that do not comply face punitive taxes and a cutoff of bank loans.

The move followed an emergency midnight meeting of the country's 11 economic ministers called by President Roh Tae Woo Monday. It was presided over by Mr. Lee, who is also economic planning minister. The meeting followed a one-day loss that was the Seoul market's largest ever, and a 24 percent decline in stock prices since the start of the year.

The government hopes that proceeds from the sales will be channeled into stocks and that inflation, fanned by real estate speculation, will cool. "The government will ask securities houses, insurance firms and short-term finance companies to sell their real estate and buy stocks with the money raised," one official of the government's Economic Planning Board said.

But some observers were skeptical, saying that it would be difficult for companies to sell their land in time to bail out the stock market.

The South Korean economy has been sagging because of the won's appreciation against the U.S. dollar, steep wage increases and political and labor unrest. Exports, the main engine of the South Korean economy, declined 1.4 percent in the first quarter from a year earlier.

The country's consumer prices rose 1.5 percent in April after a 1.3 percent gain in March. April's rise represented an 8.3 percent annual rate, overshooting the government's target of between 5 percent and 7 percent.

On Tuesday, in response to the government measure, leaders of six national economic and business organizations agreed to try to revive the stock market, stating that the entire South Korean economy depended on its health.

At the midnight session, the ministers also reaffirmed the government's crackdown on illegal labor strikes. In the past three days, police forcibly ended strikes at the Hyundai Heavy Industries shipyard in Ulsan and the government-run TV network, KBS, in Seoul.

(AP, Reuters, AFP)

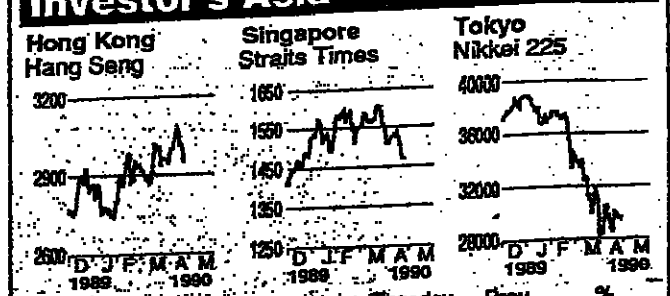
■ National Strike Call

Labor groups across South Korea celebrated May Day by calling for a nationwide strike to protest police intervention in disputes at Hyundai and the Korea Broadcasting System, Reuters reported from Seoul.

The Labor Ministry said it expected strikes at about 50 companies, including several belonging to the Hyundai Group.

Late Monday, police stormed the headquarters of KBS, detaining 333 journalists, producers and other workers. Thousands of union members had earlier voted to refuse to work until their new state-appointed president resigned.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2945.18	2950.09	-0.17
Singapore	Straits Times	Closed	1458.40	-
Sydney	All Ordinaries	1440.60	1434.50	+0.43
Tokyo	Nikkei 225	29689.83	29584.80	+0.36
Kuala Lumpur	Composite	Closed	527.06	-
Bangkok	Book Club	Closed	743.60	-
Seoul	Composite Stock	718.45	688.66	+4.33
Taipei	Weighted Price	8734.93	9292.37	-6.00
Manila	Composite	Closed	977.33	-
New Zealand	Barclays	1684.91	1673.40	+0.69
Bombay	National Index	Closed	420.27	-

Sources: Reuters, AFP International Herald Tribune

Australia Looks to Wider Wine World

By Michael Richardson
International Herald Tribune

ADELAIDE, South Australia - Seeing a large potential for expanding production but only limited sales prospects at home, Australian wine producers are developing ties with companies in Europe, Japan and the United States to increase exports.

Veuve Clicquot Ponsardin, a major French champagne house, recently entered the 1.4 billion Australian dollar ($1.05 billion) Australian wine industry by purchasing a 50 percent share of Cape Mentelle Vineyards Ltd. in Western Australia.

David Hohnen, managing director of Cape Mentelle, said that the company plans to use the capital and international marketing skills of Veuve Clicquot, a subsidiary of the luxury-goods conglomerate LVMH Moët Hennessy-Louis Vuitton, to increase exports of wine from vineyards owned by Cape Mentelle in Australia and New Zealand.

"The merger of the two companies is an endorsement of the emerging importance and acceptance in world markets of Australian and New Zealand wines," he added.

Analysts said that by investing in the Australian wine industry, Veuve Clicquot and other French companies are extending market penetration for their own products in Australia and securing access to a major source of wine supply for the Asian-Pacific region.

"As Japan and other East Asian countries have boomed economically, they have become very big consumers of high-quality spirits, especially cognac and whisky," explained Brian Croser, managing director of Petaluma Ltd., a winery in the Adelaide Hills of South Australia that is 40 percent owned by the French champagne maker, Bollinger.

"Now the East Asian nations are rapidly becoming markets for premium table wines," Mr Croser added.

Japan is the third-largest market for Australian wine after Sweden and Britain. Australia has captured 29 percent of the white and red wine table wine market in Sweden, nearly 20 percent in Britain and more than 9 percent in Japan.

'Wine consumption in Australia has reached a plateau.'

Wayne Jackson, managing director of Thomas Hardy.

Wine exports from Australia were worth 115 million dollars in the financial year ended June 1989, almost four times the level of 1985-86.

In March, Hokuriku Coca-Cola Bottling Co. of Japan spent 7.4 million dollars to buy a 52 percent stake in Mountarrow Ltd., which has a vineyard in the Hunter Valley of New South Wales.

Wine industry sources said that Suntory Ltd., a big Japanese brewer, is negotiating possible purchase of a vineyard in South Australia.

They said that since May 1989, the French beverage giant Pernod Ricard SA has spent about 100 million dollars to take full control of Orlando Wines Ltd., Australia's second-largest producer.

The third-largest producer in Australia, Thomas Hardy & Sons Ltd., recently bought a vineyard in France, another in Italy, and acquired two established British wine importers.

"Wine consumption in Australia has reached a plateau and about a year ago we started to look carefully at our growth opportunities," said Wayne Jackson, Hardy's managing director.

There were still opportunities for expansion in Australia, he added, "but the market of 16 million compares with a market of 330 million in western Europe where wine consumption is expanding."

For the 1989 vintage in Australia, 625,000 tons of grapes were crushed, an increase of nearly 29 percent on 1988. However, wine consumption last year was only equal to 500,000 tons of grapes.

But Australia's wine exports slowed sharply in 1989 as increases in grape prices and a rise in the value of the Australian dollar forced export prices up.

Martin Gilkes, general manager of Australian Wine & Brandy Corp., said that the export outlook for the next couple of years is encouraging because grape prices have fallen and the value of the Australian dollar is expected to decline.

Air New Zealand Sets Lofty Goals for Expansion

Agence France-Presse

WELLINGTON — Air New Zealand aims to be among the world's top 20 airlines in 10 years, it said Monday as it unveiled a long-term strategy.

As part of the plan, it will increase its services to Japan and start new services to South Korea, Thailand, Taiwan and Indonesia.

The airline's chief executive, Jim Scott, said the company was aiming at double-digit growth through the 1990s and wanted to be among the world's top airlines. Air New Zealand, now the same size as Swissair and SAS, would grow faster because of its position in the Asia-Pacific market, he said.

"We will grow to be the dominant international carrier in the Southwest Pacific region and we will do it by supporting tourist promotion into our part of the world," he said.

Air New Zealand was formerly a state-owned carrier, but was sold off as part of privatization moves last year. Brierley Investments Ltd. holds 35 percent of its shares, the New Zealand public 25 percent, Australia's national carrier Qantas has 19.99 percent, American Airlines and Japan Airlines each have 7.5 percent and the balance is held by Air New Zealand staff.

Mr. Scott said the airline would "in rapid succession" start new services to Bali in Indonesia, Seoul, Taipei and Bangkok, and will boost the number of flights to Japan using at least three airports there. The plan calls for an expansion of the airline's international fleet from six Boeing 767s or their equivalent to 20, and from five Boeing 747 types to 12.

"For the first 50 years it was the airline for New Zealanders, owned by New Zealanders," said Mr. Scott. But domestic and outbound markets are now mature and growth is centered on traffic to New Zealand and the Southwest Pacific.

Air NZ forecasts tourists to the region will soar to 17 million by the year 2000, from 6.9 million now.

Despite the expansion strategy, the airline has gone through rough patches since its shares were floated five months ago. Sold to the public at 2.40 New Zealand dollars ($1.38), the shares have fallen 38 percent, to 1.78 dollars, from a peak of 2.86 dollars. The overall market has dropped 19 percent during the same period.

Share analysts blame periodic rumors that major shareholders are selling out for the drop in prices.

■ Kumagai in Sydney Deal

The Japanese construction firm Kumagai Gumi Co. has signed an agreement to buy a partly constructed building in central Sydney from Bond Corp. Holdings for 405 million Australian dollars ($304.8 million), a Kumagai spokesman said, Reuters reported from Tokyo.

Separately, the managing director of Bell Group Ltd., David Aspinall, said he had bought a 16.7 percent interest in Bell following the sale last week by the State Government Insurance Commission of Western Australia of its stake of just over 19 percent.

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
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International Herald Tribune A Special Report Wednesday, May 2, 1990

Toward German Unity

A 'Fourth Reich'? Historical Analogies Wrong, This Time

By Josef Joffe

MUNICH — The first German unification, when Bismarck founded the modern Reich with "blood and iron" in 1871, spelled trouble for Europe and the world. With a new heavyweight at the center, the European balance was unhinged, and 40 years later Germany made a grab for European hegemony in World War I. The ill-fated Weimar Republic followed, and in 1939, there was a second try, vastly more brutal and bloody than the Wilhelminian version.

Today, the two Germanys, children of the Cold War, are re-emerging from defeat and partition, and formal fusion may well be completed by 1991, exactly 120 years after Bismarck unwittingly set in train a process that culminated in catastrophe for Germany and Europe. Will the second unification turn into a remake of the first?

Commentators and cartoonists round the world, even in Germany, have been inordinately fond of the image of the "Fourth Reich," thus dragging the past 120 years forward into the future. They have drawn the picture of a mighty new colossus in the heart of Europe, which, unshackled from the restraints of the vanishing postwar order, will pay little heed to sensitivities abroad and democracy at home.

As tempting as the historical analogies may be, they are wrong. Germans fondly confess these days: "We have learned our historical lesson; we were bad then, but we are good now and you should trust us." Such incantations are beside the point.

The point about present-day Germany is twofold: It is a different society than either Wilhelminian or Weimar Germany, and it lives in a different world than its two forebears.

In the Wilhelminian version, the economic revolution triggered by a unified market never spawned a political one; the rising bourgeoisie was happy to enrich itself while leaving the driving to the old aristocracy. In the Weimar Republic, democracy never had a chance. From the beginning, democracy was associated with defeat and the humiliation imposed by a punitive peace. Even so, the democratic experiment might yet have worked. But then, the Depression hit. It sharpened ancient class conflicts, while disaster after disaster, denying any respite, left only room for delusion and paranoia.

Into that void of rationality and faith stepped the pseudo-messianic figure of Adolf Hitler, promising deliverance and salvation. Democracy? That was the alien faith of the victors. Freedom? That was but the privilege of those "parasites" and "plutocrats," Jews all of them, who had conspired to enslave the German people. Instead, the Führer offered submission to *Volk and Vaterland*, and the exhilarating membership in the "master race" that was destined to conquer the world.

To recall this sorry past is to make an almost self-evident point about the present and the future. It is not that the old Germans were "bad" whereas today's Germans are "good." Hitler's children and grandchildren have done so well in the game of democracy because, for once, the conditions were right.

DEMOCRACY in the Federal Republic is not associated with national humiliation and economic misery. Instead of punitive reparations, as after 1919, there was Marshall Plan aid. Instead of competitive devaluation and beggar-thy-neighbor tariffs, there was free trade, managed and enforced by the United States. Instead of depression, there was export-led growth. And instead of isolation and discrimination, there

Continued on page 20

Yves Moore/Sygma

The Associated Press

A People on the Move To a New Nationhood

East Germans rallying in March in the country's first free elections. No longer forced to "vote with their feet," they gave their support to Lothar de Maizière, at far left, allied to West German Chancellor Helmut Kohl's Christian Democrats.

Mike Theiler

New Sense of Reality Gains Over Euphoria

Bonn Has the Means for Unification But Emotional Scars Will Remain

By Henry Tanner

BERLIN — Six months after the Wall opened, the euphoria is gone. The mood has become sober and unsentimental, even apprehensive.

New anxieties have risen as Germans on both sides of the disappearing border are beginning to take the full measure of the political, economic and even emotional cost of bringing the two Germanys together.

Reunification, or unification, as it is now called, has begun to become a reality both on the official level and in human terms. It is irreversible. And it will succeed.

The West Germans have the political power, *the wealth and industrial might to bring it* about. The Germans on both sides want it, in their overwhelming majority. They have the needed vitality. The international context is favorable. The United States supports it, the Soviet Union seems to have come to terms with it and the other Europeans do not actively oppose it, although some have misgivings.

Chancellor Helmut Kohl, the politician most responsible for the mind-boggling speed of the historic events, is riding high. "His smile is as wide as the Rhine," one reporter recently wrote. He is self-confident and basking in the glow of his vastly increased stature at home and abroad, even though he remains behind Oskar Lafontaine, the Socialist candidate for chancellor, and others in the opinion polls.

In cartoons and political cabarets, Mr. Kohl remains the pear-shaped bungler that people love to make fun of and to underestimate. But to an extent he never achieved before, he is recognized as the man of the hour even by opponents.

"We were lucky to have him as chancellor," said a political scientist who has never voted for Mr. Kohl's party. "He is no Hamlet, plagued by doubts. When his instinct told him to plunge, he plunged, and he was right, of course, if not always for the right reasons. It would have been disastrous if we had a chancellor who pondered all the difficulties and moral implications and could not make up his mind."

Hans-Dietrich Genscher, the foreign minister, is given credit for the subtlety that the chancellor lacks. Where Mr. Kohl angered the Western allies by failing to consult them and by being evasive about the Polish border, Mr. Genscher has the ambition of going down in history as the skillful diplomat who created the international framework that made it possible to achieve German unity without destroying the existing balance in Europe.

So everything is on track, in the words of a Berlin journalist.

But beneath the surface, everything about the events that most Germans did not expect to see in their lifetime is complex and immensely difficult.

On both sides of the border — it remains a border until a few weeks hence, when Germans will no longer be required to show their papers on crossing — the talk now is about "costs" and "dangers."

Political scientists speak of an "unprecedented transfer of wealth" that is needed to deal with East Germany's lack of infrastructure, obsolete industries, a mortally damaged environment, nonexistent services and the need to create new institutions such as an unemployment system to pay compensation to the 1 million to 2 million East Germans experts say will be out of jobs, at least temporarily.

OTHERS warn that all this is nothing compared with the psychological and emotional scars that have been inflicted on the East German population by 45 years of Communist dictatorship coming atop the 12 years of Nazism. These human scars, they say, will weigh as heavily during the next few years as the more easily defined economic and political obstacles to unity.

"Unification, we now know, is internationally and economically manageable; but is it psychologically manageable?" a leading West German editor asks.

"How different they are from us," exclaims a professional man in Bonn.

The need to "come to terms with the past" has been a constant, painful theme in West Germany for 45 years. Now, West German intellectuals wonder what the attitudes of their Eastern counterparts will be. It is not a matter of guilt, since they did not destroy Europe, a West Berlin intellectual said, but they will have to ask themselves why they submitted so long

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Argentina
Australia
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Toward German Unity / A Special Report

Two Views of Europe's Emerging Giant From Washington and Paris:

U.S. Sees Allegiance to West As Cornerstone of Security

By John M. Goshko

WASHINGTON — The U.S. position on German unification is clear and unequivocal: The United States strongly supports the rejoining of East and West Germany but only on condition that the new state be tied firmly to the West through continued membership in the North Atlantic Treaty Organization and the European Community.

That position has been a constant with President George Bush's administration through all the dramatic upheavals that have occurred in the German story since last September, when the Communist regime that had ruled East Germany for 40 years began to unravel.

The breadth of these changes is underscored by the fact that only a year ago the principal issue in U.S.-German relations was whether a reluctant West Germany would permit deployment on its territory of the upgraded short-range Lance missile that American strategic planners then regarded as the key to NATO military defenses in the 1990s.

Now, plans to produce the Lance are being shelved out of awareness that the missiles, whose original targets would have been in an Eastern Europe securely in the grip of the hostile Warsaw Pact, would now be aimed at countries in the process of transition from Communism to democracy and free-market economies.

The United States has been in the forefront of Atlantic alliance countries in acknowledging that German unity is an idea that no longer can be denied. Still, as Secretary of State James A. Baker 3d made clear in a Berlin speech last December spelling out U.S. views on European security, the United States insists that unification must occur in a context that leaves no doubt about the enlarged German state's allegiance to the West.

In Berlin, Mr. Baker endorsed the idea of pursuing European security and interdependence in the 1990s through such institutions as the EC and the 35-nation Conference on Security and Cooperation in Europe (CSCE). But, unlike many European governments that envision the CSCE as the best available framework for a new security system stretching across the formerly opposing West and East blocs, Mr. Baker made clear Washington's view that, for the foreseeable future, NATO, with Germany remaining a member, should continue to be the cornerstone of Western security.

The problem is that the U.S. position runs directly counter to Soviet President Mikhail S. Gorbachev's call for neutralization of a united Germany. This is the key issue to be thrashed out in the "two plus four" negotiating forum that brings together the two Germanys plus the four principal World War II victors — the United States, the Soviet Union, Britain and France — who retain control over Berlin.

THE U.S. view is that the Soviet Union, facing the need to turn inward and concentrate on internal political and economic problems, eventually will back down on the neutralism question if the Western allies remain firm and united. Last month, Moscow did show some signs of flexibility through an article written by Foreign Minister Eduard A. Shevardnadze for the current issue of NATO's Sixteen Nations, an independent publication dealing with security issues.

Mr. Shevardnadze proposed that instead of neutrality "serious and thorough analysis" be given to the idea of a united Germany temporarily being a member of both NATO and the Warsaw Pact as "a pragmatic way out of the difficulties emerging now." From the Soviet point of view, that idea would enable Moscow to retain at least part of its 350,000 troops in the eastern sector of Germany long enough to make sure that Germany has no aggressive designs on its East European neighbors.

Nevertheless, the proposal was rejected immediately by the United States. On April 11, the White House press spokesman, Marlin Fitzwater, dismissed the idea as "another formula for neutrality" and added: "We are opposed to neutrality."

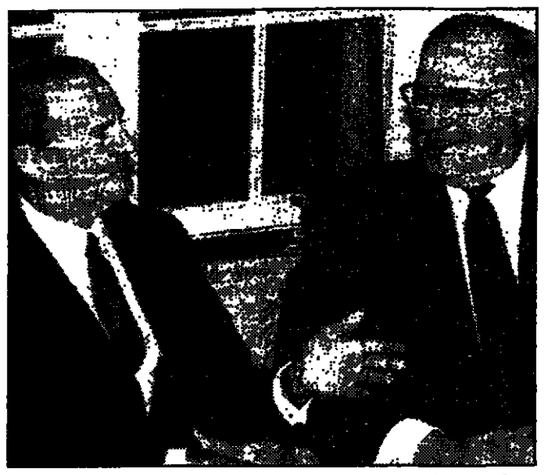
In private, U.S. officials say that their strategy remains rooted in the belief that if the West stands fast, Moscow eventually will have to fall in line. At the same time, U.S. policy-makers acknowledge that if they want the Soviet Union to accept a united Germany in NATO, they must provide Mr. Gorbachev some sort of political cover enabling him to embrace a position acceptable to the West.

That would be done through a package of ideas designed to disguise and make more palatable German membership in NATO. These ideas include keeping NATO forces out of the area that now is East Germany, allowing the Soviet Union to retain some troops there for a transitional period and giving Moscow specific guarantees about what weapons the new German state will maintain and where its army will be deployed.

UNDERLYING these proposals is the idea that NATO gradually would undergo a transformation that would reduce its military functions, make it a more overtly political alliance, give a greater role to the CSCE in such confidence-building security areas as monitoring troop movements and perhaps ultimately merging NATO into the CSCE, which includes all the NATO and Warsaw Pact members and the European neutrals.

The idea of eventually making the CSCE the dominant security apparatus on the Continent has considerable resonance among the Europeans, particularly with President François Mitterrand of France.

JOHN M. GOSHKO reports on international affairs from Washington for The Washington Post.



Agence France-Presse

James Baker 3d, left, meets with Chancellor Kohl.

A French Warning to Reject Any 'Fusion of Alliances'

By Pierre Lellouche

PARIS — This is the year of Germany and hence the year in which the future of Europe will be decided.

The status of the future united Germany will be defined in a series of complex diplomatic transactions, from the "two plus four" meetings of the two Germanys and the Big Four, the Vienna talks on conventional forces and a variety of summits to the meeting of the 35-member Helsinki group in November, just before the West German elections.

These negotiations are of paramount importance for Europe. For two centuries all the systems of alliances in Europe have been centered on Germany, either for or against it. But the postwar system that was built on the two hostile German states has lapsed.

The compromise agreements reached in Vienna last year have already been overtaken by events.

A year ago, the Soviet Union was in a position of crushing superiority. Now, it is isolated and weakened.

Germany, on the other hand, is regaining its full sovereignty and will once more have a force of 600,000 men, if the two armies are combined.

The temptation for Moscow is to try to limit the future German army in the context of the "two plus four" negotiations. But Mikhail S. Gorbachev's advisers are more sophisticated than those of Stalin, who, in his famous note of 1952, offered reunification in exchange for the neutralization and demilitarization of Germany.

Mr. Gorbachev knows, as do Washington and Paris, that Germany is too powerful to remain neutral and demilitarized for long.

In Washington a few weeks ago, Eduard A. Shevardnadze seems to have accepted the idea that a united Germany could stay in NATO for some time — on condition of abdicating its military vocation and inserting itself into a "pan-European security collective" that would include the members of both NATO and the Warsaw Pact in a Helsinki framework. Thus, within five or seven years, there would be no foreign troops and no nuclear arms on German soil.

All this is vague, with something of the musty smell of the League of Nations. And it is fraught with risks for all of Europe.

Unfortunately, this poor idea of a "fusion of alliances" seems to be gaining some ground.

It is a favorite theme of Vaclav Havel of Czechslovakia and other new leaders in Eastern Europe and has the support of some Western governments, notably Italy and Belgium, as well as the German Socialists.

Even Chancellor Helmut Kohl, though favoring the maintenance of the Western alliance, speaks of NATO as a transitional solution. Germany, in fact, wants to recover its full sovereignty. Judging from the polls, a majority of Germans would like to leave the alliance and see the departure of the remaining foreign forces from German soil.

The Americans and the French are the only ones that can bring some common sense to this debate now that Prime Minister Margaret Thatcher has taken herself out of the game in Europe. They must see to it that the West European security collective, which is still intact, does not have to bear the consequences of the collapse of the Soviet pact.

But all is not well between the French and Americans. Washington accuses Paris of having torpedoed the U.S. proposals for giving the American presence in Europe a new legitimacy in a more political and less military context.

Though not a member of the integrated military structure, France does not want the alliance to become more political because it fears American interference in the European Community. And the Bush administration has suggested that France must rejoin the alliance as a fully integrated member unless it wants to see the disintegration of NATO. Washington argues that if the French refuse, the Germans will imitate the French model of being half in and half out, in which case the Americans will pack their bags and get out of Europe.

The American argument is not entirely false.

FRANCE cannot insist that the Germans play the game of European monetary union without offering them something in return.

The European Community was built on the basis of the security community provided by NATO. The central question today is whether this West European security community will be maintained, and with what kind of links to the United States, or whether it will be scrapped in favor of new arrangements made through the Helsinki group.

In my view, the only reasonable solution is to maintain the security community. It is the only way to avoid the eventual balkanization of Europe and the famous rise of German nationalism that is so feared in Paris. But it cannot be done without a painful updating of our defense policy, including the creation of an effective European pillar to which France would have to contribute its entire military, and even nuclear, potential.

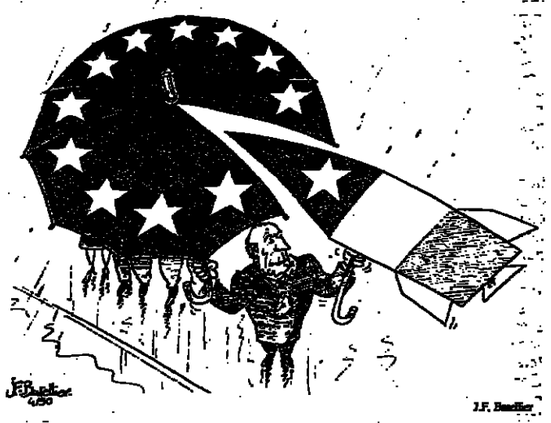
The other option, the Helsinki card, would cause France, eventually, to withdraw into its nuclear turret. The European Community could not survive and we would be going back, in effect, to the constellation that existed before World War II.

The Frenchmen who envisage this are also the ones who, in tandem with the Soviets, are calling for the demilitarization of Germany. It is the old temptation of the Franco-Russian treaty of 1891 and the treaty of Versailles, whose consequences we suffered in the first half of the century.

The present French government is oscillating between these two courses and has not yet made up its mind. It is time that we add our voice to the debate, which is so crucial for us but which, just now, is being held without us in Washington, Moscow and Bonn.

(Translation from the French)

PIERRE LELLOUCHE is the foreign policy adviser of former Prime Minister Jacques Chirac.



J.F. Batelier

This Time, No 'Fourth Reich'

Continued from page 19

was membership in a Western community.

In this setting, democracy, civility and, yes, "Westernization" could at last take root. And little in the past 40 years suggests that the new liberal (and somewhat dull) Germany is a fly-by-night operation that would vanish at the next economic downturn.

In the mid-1960s, West Germany experienced its first postwar recession, which coincided with a sudden rise of the Neo-Nazi National Democrats (NPD). Yet, for much of the past decade, unemployment has hovered around the 2 million mark, and the NPD is virtually extinct.

The New Right, the cynically misabeled Republicans, a bunch of nationalists, started making headlines last year when they pulled 7 percent in the European elections by appealing to the resentment of the poorer sectors of the population. Now, hardly a year later, they are back to 3 percent in the opinion polls.

Pied pipers are not likely to become Führers in a Federal Republic that is Westernized, permissive and engaged in the individual pursuit of happiness — much like the United States, Britain and France.

The problem lies elsewhere. The happy career of the Federal Republic cannot be divorced from the ultra-stable European order installed after 1945, and which is moving fast now that the Russians are withdrawing and turning inward. Explicitly, that order was designed to contain the Soviet Union; implicitly, it was to constrain a resurgent Germany. With Russia retracting, and the United States possibly following suit, a united Germany undoubtedly will become No. 1 on the Continent — willy-nilly, and by dint of its sheer economic clout and geographic position.

Liberated from the constraints of a crumbling European order, Germany, muscular to begin with, might become less modest, no longer deferring so routinely to the wishes and sensibilities of its neighbors and allies. Yet, a "Fourth Reich"? Unlikely.

Again, the reason is more solid than those incantations of moral improvement some Germans like to invoke. The point is not whether the Germans have changed; the point is that the game of nations, at least in the Western world, has changed. It has become much more civilized and civilianized. Power today is not measured by possession of this or that province, but by such questions as: "Who determines parities in the European currency grid?"

The battle lines are drawn in the balance-of-payments ledgers, and the accounts are settled in ECUs and not with "blood and iron." The new game has devalued the military chips, delivering power and prestige to those who can back up their bets with investments and loans. Why, then, should countries like Germany and Japan forgo their advantage and change the rules? In the attempt, they would certainly revive the hostile coalitions that proved their undoing in 1945.

Soon, Germany will be reunited. But the remake will not be shot with a cast of latter-day Erich von Stroheims. The soundtrack will not be the Horst-Wessel-Lied, the fighting song of the Nazis, but a reggae or rhythm-and-blues tune. Cologne and Kansas City, Munich and Marseille have been listening to the same beat for a long time; adding Dresden and Leipzig should not ruin that score. At least, we are entitled to hope so.

JOSEF JOFFE is foreign editor of the Süddeutsche Zeitung in Munich.

Sense of Reality After Elation

Continued from page 19

to an inhuman regime that turns out to have been no stronger than a house of cards.

East German fears are about essentials: jobs, pensions, wages, housing, the loss of social security, the brutality of capitalism and, frequently, the question, "Will I be able to compete?"

The dissidents who led the mass protest that brought down the regime for the most part dreamed of a different kind of socialism in a separate state that would be democratic, with such social protection as the right to work. Others say scornfully that nothing at all that existed before November is worth saving.

And a majority, probably, for whom Lothar de Maizière, the new prime minister, is trying to speak in his negotiations with Bonn, simply wants to be protected from unacceptable hardship during the transition.

In the West, the fear is about inflation, higher taxes and rising unemployment. There have been open revolts in some cities over East German refugees taking scarce jobs, getting subsidies, and being quartered in schools and other facilities that the local population claimed for its own use.

But the number of refugees has diminished dramatically, to a few thousand a week.

Yet, there are political fears. "What will happen to West Germany's political system, which is one of the most successful federal democracies in the world?" a political scientist in Bonn wondered.

West German newspapers have been reporting that Gregor Gysi, the secretary of the successor party to the East German Communists, has found willing listeners among Communist splinter groups in West Germany. Others fear that the East Germans will vote for the ultraconservative, Nazi-tinged West German Right.

"We may get the first real polarization since the war," an editor in Bonn said.

In a word, will West Germany remain the reasonable, moderate model state that its citizens are so proud of?

"The End of the Federal Republic," proclaimed the cover of Der Spiegel, the influential weekly, a few weeks ago.

No wonder, then, that the tone has changed.

Where a few months ago the pace could not be fast enough, editorials and politicians now call for a slower, "more normal" pace.

The language now is more reminiscent of a corporate merger than a family reunion, with hard-nosed delegations on both sides refusing to be "drawn across the conference table," as the conservative West German mass circulation daily Die Welt put it.

During the currency talks, Mr. de Maizière, the mild-mannered former musician who had been thought to be in Mr. Kohl's pocket, declared bluntly in public that he "insisted" on certain things and that other points were simply "not negotiable."

But the business of unity is taking its course, and more swiftly so in the country than at the conference tables.

Economically, the experts say, one of the encouraging signs is the emergence of thousands of would-be small-businessmen. They range from shopkeepers and artisans to mechanics and taxi owners wanting to build their own fleets.

By mid-April, the West German office that is coordinating European financial aid to East Germany in Frankfurt had received nearly 3,000 requests for a total of more than 500 million Deutsche marks from East German would-be entrepreneurs eager to modernize their equipment and take the plunge into the market economy.

A dramatic growth of small businesses is the best if not the only hope to mitigate the forbidding rate of unemployment that is expected, economists say.

In Berlin, where at last count there were 43 crossing points in the Wall, people have started turning unification into daily routine.

Fur coats and other signs of capitalist wealth aside, a visitor is finding it increasingly hard to tell East Berlin visitors from their West Berlin hosts and vice versa, as the once telltale synthetic windbreakers and cheap shoes are being exchanged for better wear.

Demeanor also has changed. Berliners from either side are no longer gawking at each other and at the sights, but they still find it "easy to spot those stodgy West Germans," as one of them said with a grin.

At the Wall near Checkpoint Charlie, a tousled young man in uniform who could warm the heart of any mother-in-law, had put his border guard's cap on the head of a young girl for a snapshot. In the working class district of Kreutzberg, the approaches to the Wall were empty except for an old Turk on a ladder chipping pieces from the Wall for the tourists.

A wide strip of no-man's-land that once had been crammed with barbed-wire, mines and self-firing guns was empty except for a couple pushing a pram.

HENRY TANNER is on the staff of the International Herald Tribune.

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Toward German Unity / A Special Report

Business Chooses Different Roads to East

By Richard E. Smith

FRANKFURT — While most of Eastern Europe still looms as a mysterious and quite foreign market for West German business, East Germany is now viewed by nearly everyone as part of the family.

With reunification only a question of time, no West German company can ignore 16 million countrymen, a fifth of the population of a reunited Germany, and hardly a day goes by without the announcement of yet another joint venture or cooperation agreement.

But companies do not develop even their home market in the same way and several notable differences in approaches to East Germany are beginning to emerge now that more than half a year has transpired since the fall of the Berlin Wall.

While insurance companies and banks are rushing in headlong, other firms such as chemical makers and engineering firms are finding reasons to be hesitant.

Another trend separates the behavior of large from small companies. The deep pockets of large firms allow them the luxury of a long-term outlook but thousands of smaller companies, for many economists the key to any broad-based East German economic miracle, are only likely to move east in force if new laws and modernized infrastructure make a relatively quick profit possible.

Among the larger companies, Allianz may be the prototype of enthusiasm.

Already by far West Germany's largest insurer — and Europe's — Allianz saw a rare opportunity to significantly expand its market in one stroke with a recent bid to effectively annex East Germany's formerly state-owned insurance monopoly.

Although the bid has prompted severe criticism from both politicians and competitors in West Germany and may have helped push East Germany to set up a watchdog agency to curb monopolies, Allianz has so far not been dissuaded from its plan. If approved, it could give Allianz primary access to the state monopoly's exclusive list of customers, to 13,000 employees and to a nationwide network of offices.

The banks see a similar advantage in striking early to get well positioned in the new market by laying claim to part of East Germany's existing banking network. Deutsche Bank scored the first coup by announcing a joint venture with Deutsche Kreditbank, a new unit that groups together the former commercial banking activities of the East German central bank.

Dresdner Bank, which is also negotiating with the same East German bank, and Commerzbank are similarly trying to set up networks of branches throughout East Germany as soon as legislation allows.

At the other end of the scale of enthusiasm, a number of West Germany's chemical and engineering giants are being conspicuously cautious.

The chemical companies, including three of the world's largest, have yet to make moves of the scope seen in banking or insurance. While those companies have the promise of an immediate return on many of their services, the chemical companies face the considerably more time-consuming prospect of rebuilding a rotting infrastructure and dealing with the environmental damage it has caused for four decades.

Engineering companies, whose expertise is also in desperate demand, have similar reasons to fear a long haul before massive investments can provide any solid payback.

Although it will fall primarily to this sector to modernize East Germany's industrial infrastructure, experts say it could cost as much as 160 billion Deutsche marks (more than $94 billion), a sum so large that complex long-term financing as well as government help will be required.

As a result, initiatives have been more cautious and there have been relatively few orders or large-scale cooperation projects so far.

The auto industry is represented in both camps. Volkswagen, with its main plant located conveniently only 8 kilometers (5 miles) from the East German border, and Adam Opel have set up extensive agreements that will allow them to essentially rebuild East Germany's mass auto industry.

Both are expected to quickly develop a high profile in East Germany as they take the lead in providing a new generation of autos to eager consumers, who until now have had to wait as much as 13 years for low-performance Wartburgs or Trabants.

Bayerische Motoren Werke (BMW), on the other hand, has been more skeptical about Eastern markets. This is not surprising, in view of the fact that its primary product is a range of vehicles so upmarket that they have easily cracked even the Japanese market and will be far beyond the budget of most East Germans for years to come.

> A number of West Germany's chemical and engineering giants are being conspicuously cautious.

Daimler-Benz is in a similar position but the company has launched a far-reaching venture to revive East Germany's manufacture of trucks.

While all of the large companies are expected to be drawn sooner or later to the East German market, many economists say the behavior of the smaller companies will be more interesting and perhaps even more important.

West Germany's vaunted layer of unusually strong small and medium-sized companies, long considered the backbone of the domestic economy and the chief agent of its own economic miracle in the 1950s, is being cast by many economists and politicians for a similar role in East Germany.

They stress that the East German service sector, as in most Communist states, is badly underdeveloped and offers a vast range of market niches for small businessmen. Planners in both Bonn and East Berlin are also counting on small business to create the bulk of new jobs to absorb the armies of East Germans likely to be cast off by failing industrial conglomerates.

Bonn is launching various subsidy and tax programs to encourage small businessmen, including a 6 billion mark program to be handled by the Kreditanstalt für Wiederaufbau, the government unit that once channeled Marshall Plan aid to West Germany.

East Germany, for its part, has offered to return properties confiscated from small businessmen during or since the last wave of such confiscations in 1972. Some experts estimate that as many as 50,000 claims may be filed, including many from West German citizens who had operated small businesses in East Germany before emigrating to the West.

Whether the small businessman takes the bait is still largely an open question. Many are using old connections or family ties to make early bridgeheads but any mass migration is unlikely until the entrepreneur has a clear idea of his legal and monetary parameters.

Both large and small businesses are closely watching the negotiations about monetary union because a prime incentive for moving eastward is cheap labor.

With wages likely to be converted at a rate advantageous to the East Germans, many Western investors may find East German workers too expensive since their productivity is only one-third the level in West Germany.

Businessmen will also be keeping tabs on the development of unions in East Germany.

IG Metall, West Germany's pace-setting union, has begun speaking out for the interests of workers in East Germany even as it demands to cut the work week at home to 35 hours from 37 hours and to increase pay by 9 percent.

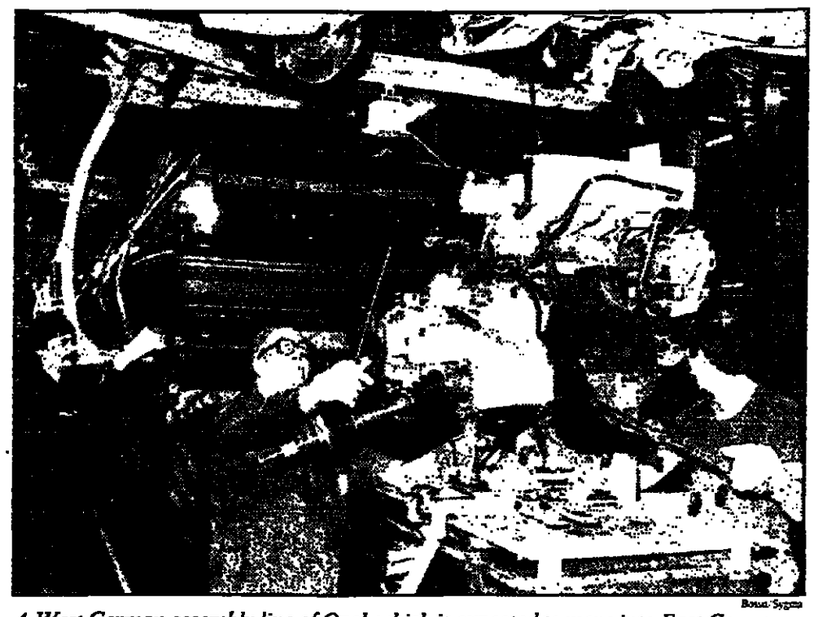
"It would be a tragedy if German unification involved, not the export of markets to the East but the export of German rigidities to the East," said Robert Z. Lawrence of the Brookings Institution.

At the same time, legal rights organizations in East Berlin are pointing to the need for worker protection amid claims that some employers are taking advantage of the lack of any clear labor legislation at the moment to dismiss handicapped and pregnant employees.

In the meantime, the hardy pioneers who are daring to move east even before legislation, monetary union and unions are in place are finding residual bureaucracy and faulty infrastructure to be awesome hurdles.

"It is easier to get a phone installed in Surabaja than in Leipzig," said Hilmar Koppers, chairman of Deutsche Bank, which opened units in both cities in recent months.

RICHARD E. SMITH is the International Herald Tribune's correspondent in Frankfurt.



Bosse/Sygma

A West German assembly line of Opel, which is expected to move into East Germany.

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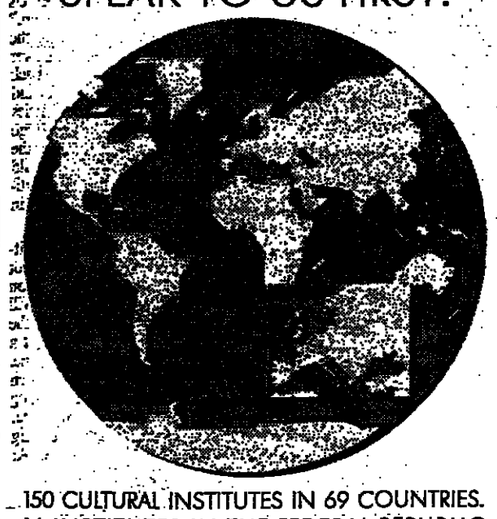

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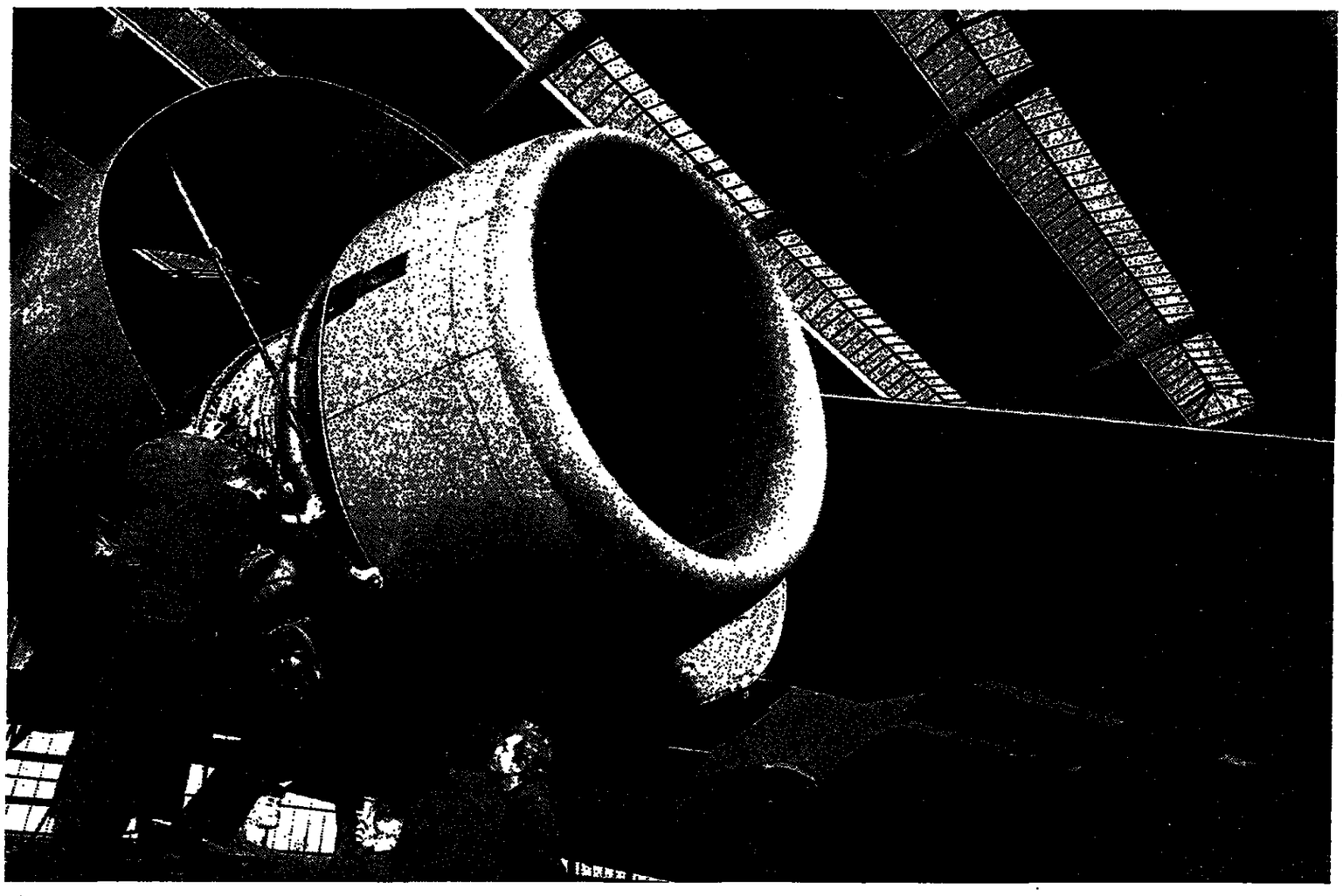

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Toward German Unity / A Special Report

Popular Mood Seen As Emotional Mix In Bid for Freedom

By Günter Gaus

HAMBURG — Egon Krenz, the short-lived successor to Erich Honecker as East German party chief, is not known for his perceptiveness. According to those who watched him most closely during his brief interregnum, he did not understand the radical dimension of the events

COMMENTARY

that convulsed East Germany but was forever trying to catch up.

But on one occasion, he took the lead and found the right words.

On Nov. 9, he announced that the Politburo, under his leadership, had just decided to open the Berlin Wall and the rest of the border with West Germany. "Whatever we do, it can only be wrong," he told the Central Committee.

Less than a month later, he had been forced to resign, the Central Committee was dissolved and a caretaker coalition government had been formed to organize the first free election.

On the day he made his announcement, Mr. Krenz and his colleagues faced a demand from the Czechoslovak Communist regime to close the border between the two countries. Prague did not want to continue as the backdoor for a mass exodus of East Germans to the West, but Berlin could not take the risk of closing the border again only a few days after it had been reopened. The Wall collapsed and with it the regime, which, it must be said to its credit, had shied back from bloodshed at the moment of truth.

Nov. 9 has been a fateful date for the Germans, both for better and for worse. In 1918, it was the date of the democratic revolution against the kaiser's Reich. In 1938, it was the day of the *Kristallnacht*, when synagogues and Jewish businesses were burned and destroyed.

In 1989, Nov. 9 was the day the rebellion against the East German regime changed its fundamental direction. Until then the hundreds of thousands of citizens who had taken to the streets had expressed their will to be in charge of their fate by crying, "We are the people." Their goal was a renovated but still socialist and still independent East Germany.

Then, after the Wall had come down, the cry became, "We are one people," the demonstrators' way of proclaiming their solidarity with the West Germans and of demanding the quickest possible unification of the two states.

This was an unexpected, bitter disappointment for the courageous minority that had been fighting for democratic change in East Germany under the protection of the Protestant churches and together with the peace movement and ecologist groups.

These early dissidents regarded the new hopes that were now voiced by a hitherto submissive majority of citizens as nothing more than a capitulation in the face of West Germany's wealth and high living standards. Pure idealism is not always a good basis for fair judgment.

The popular mood, in fact, was a complex emotional mix.

Understandably, the Germans of the East were tired of being alone in paying for the war that they had lost together with the West Germans, and they wanted, at last, to get their share of the better life that their cousins were enjoying. Add to this the desire for individual freedom and the impatience of young people to be able to travel. Add to it, too, the traditional national feelings that Europeans in all countries have.

This is the kind of mixture between chicken-in-the-pot pragmatism and national grandeur that people find charming when it is displayed by the French. When the Germans indulge in it, it is usually viewed with misgivings, even by fellow Germans.

THE prevailing mood was confirmed in the parliamentary elections of March 18. The majority of the newly elected East German deputies wanted quick currency union followed by national unification. No further qualms, no nostalgia for the dreams and the bitterness of the minority that had launched the change and made the free elections possible.

The thrust of the historic events of the past six months is irreversible. The only question that is still open concerns the terms of unification that the new East German government will be able to obtain in its negotiations with Bonn.

(A translation from the German)

GÜNTER GAUS is a former West German Permanent Representative in East Berlin.

Sygma

Germans atop the the Berlin Wall highlight the radical dimension of events that convulsed East Germany.

Laws Blur Issue of Property Rights

By Kuno Kruse and Birgit Schwarz

HAMBURG — Who owns East Germany? With the collapse of the Socialist Farmers' and Workers' State, the end is in sight also for the East German legal system that governed the use and ownership of land, farms, factories, homes and apartments.

West Germans, in rapidly increasing numbers, are invoking the West German constitution, under which private ownership is guaranteed, to reclaim their former properties in the East — properties that they thought lost but that now suddenly seem within their grasp.

Many East Germans who never left but lost their possessions through nationalization or expropriation, are also registering their claims .

Some West German real-estate operators, too, believe that they own East Germany. "The tracks have to be cleared now," said one of them — a man whose family once owned large estates in the East and who is now trying to interest big West German companies in building and financing supermarkets, trading centers and entire seaside resorts.

On both sides of the inner-German border more and more people are becoming convinced that most if not all the original property rights will be restored. This is a frightening prospect for the mass of East Germans who have never owned their apartments, farmlands or professional premises but have had the right to use the facilities as tenants or members of collective organizations under East German law.

As many as 500,000 West Germans have reason to believe that they own a part of East Germany. This is the number of persons who, for many years, have been receiving *"Lastenausgleich,"* compensation for loss of income from their former properties in East Germany. The payments are being made by the East German government with money provided by the West German treasury under an agreement between the two states.

As for the East Germans, how many of them may still believe that East Germany belongs to the people as the law on state property said it did?

The bear is dead; the hide is being shared out, and it is a great day for lawyers who are raising questions: What are the ground rules? And what belongs to whom under which law?

West German lawyers — there are 2,000 of them in West Berlin alone, compared with 700 in all of East Germany — have been rushing to their Eastern counterparts in search of crash courses on what East German law has to say about such things as state and personal property, users' rights; legal distinctions between land and buildings, inheritance rights, limitations on the sale of private property and protection for tenants.

Under the East German concept, what counted were not property rights but users' rights — the regulations through which the state gave its citizens the right to use various facilities on certain conditions.

A young couple, for instance, "bought" the right to their apartment with 4,000 East German marks and 500 "work units" spent in communal service. But does this mean that they now own their apartment? Perhaps so, since under the law their children may inherit the right to use it. And perhaps not, since the apartment still belongs to the workers' collective from which they got it.

THE debate on who owns East Germany under what law is bewildering to many East Germans.

"My head is swimming," said a young woman in a small town in Thuringia. "We feel totally inferior to the West Germans in these things," said her escort, adding that he had just recently looked up the word "real estate" in the dictionary.

"Nobody wanted to be an owner," the couple said. With rents a pittance, between 80 pfennig and 1.25 East German marks a month per square meter, the cost of maintenance in an owned apartment would be much higher than the rent.

They know, of course, that expropriated land or apartments came cheaper than others, they two said, "but who could imagine that things would change overnight?"

About a million East Germans, according to early estimates, have built their houses, apartments and weekend bungalows on state land under the concepts of users' rights and "peoples' property," which do not exist in West German law.

Members of the Round Table, the citizens' advisory group that emerged during the winter's upheaval, took up the question of how individual citizens could be protected and their rights safeguarded as the old laws are being superseded.

Wolfgang Ullmann, one of the former dissidents and a leader in the debate, was one of those who conceded that many of the claims by former owners would have to be ultimately recognized. But he argued forcefully that it was not acceptable to proclaim suddenly that all East German institutions had been illegal and that all citizens who had been living under East German law, therefore, had lost their right to legal protection.

He was the first to urge a series of transition measures, including close supervision of all future privatizations.

At the request of the Round Table, the transition prime minister, Hans Modrow, wrote to the three Allied powers asking for the protection of citizens who had acquired rights under East German users' and property laws.

The East German coalition parties, following up on another proposal by the Round Table, decided on the creation of a centrally administered trust fund under the authority of parliament with the task of organizing the liquidation of some state properties by issuing "shares" to individual East German citizens.

These, and many others, are the complex and immensely difficult issues that remain to be settled in the negotiations in which Bonn and East Berlin have reached an initial agreement on exchange rates in at least some sectors.

KUNO KRUSE and BIRGIT SCHWARZ are on the staff of the weekly Die Zeit, from which this article was adapted.

Just How Much Will It All Cost?

The Unanswerable Question Meets With Unified Response

By Richard E. Smith

FRANKFURT — The same unanswerable question has been chanted by a chorus of taxpayers, corporate treasurers, central bankers and bond holders ever since the Berlin Wall tumbled in a rush of euphoria last November: But how much is this going to cost?

This is not to say that most West Germans are unwilling to dip into their pockets. Polls regularly show that a sizable majority think the peace dividend and the emotional ting of a family reunited are worth a price.

But policy-makers and businessmen, called upon to begin rebuilding East Germany, urgently need some idea of the scope of the challenge.

Horror stories abound. A government economist warns that East German foreign debt could soar to South American levels if conversion is decided at too generous a rate, while corporate debt could inflate and bankrupt most enterprises.

Housing experts say it will take 200 billion Deutsche marks ($119 billion) to modernize East German housing. Most experts do not even try to assess environmental damage.

Then there is the baffling question of how many unemployed East Germans might soon be walking the streets, with estimates varying wildly and running as high as two million. To some degree, they will have to be supported by Bonn and will soon be joined in that need by East Germany's 2.7 million retired people.

YET, even in the face of problems of such dimensions, many West German bankers seem almost aggressively optimistic.

Deutsche Bank, claiming in a recent report that extra public spending could create a deficit equal to roughly 3 percent of gross domestic product, noted that the figure had been as high as 3.5 percent in the early 1980s and said that the West German capital markets are "perfectly capable" of handling the new burden.

Dresdner Bank has said that unification should not cause a lasting rise in interest rates, and the prestigious IFO Institute in Munich has played down fears of a surge in inflation.

Even the Bundesbank's Karl Otto Pöhl, president of Europe's supreme bastion of monetary control, has frequently tried to convince skeptical bond markets that unification does not have to be seriously disruptive.

Economists point confidently to the wealth of West Germany, where households held net financial assets of 2.3 trillion marks in 1988 and where 460 billion marks was invested in housing and infrastructure last year alone. They noted in particular that the country exported capital of 100 billion marks in 1989, a flow of surplus wealth that could go far to meet East German needs.

East Germans, meanwhile, can point to an economy of their own, which, in spite of central planning, has managed by many criteria to outperform such European Community member states as Ireland and Greece.

The bottom line seems that most Germans want unification to succeed and they are not going to let cost stand in the way.

"When we put through the monetary reform of 1948 [in West Germany], we didn't plot out how many billion marks we would need for housing, roads, hospitals or reparations," said Karl Schiller, former finance minister. "If we had done that, we would have thrown in the towel from the beginning."

HOW adaptable is the East German population? How willing are West German businessmen to take a chance in a new market? Such questions defy calculation but may lead to a better idea of the cost of unification than any static charts or figures.

The East German population may offer industrialists one of the world's better educated working forces at a bargain price. Though lagging in familiarity with computers, their training in hard sciences is solid and is expected to provide a firm foundation for learning quickly.

But, after years of being spoonfed chores by distant central planners, they will have to adapt to a totally new structure of incentives with more attractive carrots and more threatening sticks.

Whatever the cost in marks and pfennigs, the price of unification will not be paid by Germans alone.

The European Community may have to live with higher German interest rates and with a more harassed and unpredictable Bundesbank at a point when Brussels, intent on achieving European monetary union, could most use the traditional German monetary anchor.

Further afield, Alan Greenspan of the U.S. Federal Reserve recently warned congressmen that it may be difficult to reduce U.S. interest rates in the next few years due to the capital needs of East Germany and Eastern Europe. More than a few economists have pointed to rising German rates to explain a broad shift to bonds, which, among other effects, may have helped spur Tokyo's stock decline.

In an ever shrinking financial world, the falling Berlin Wall is a blessing, and a burden, for all.

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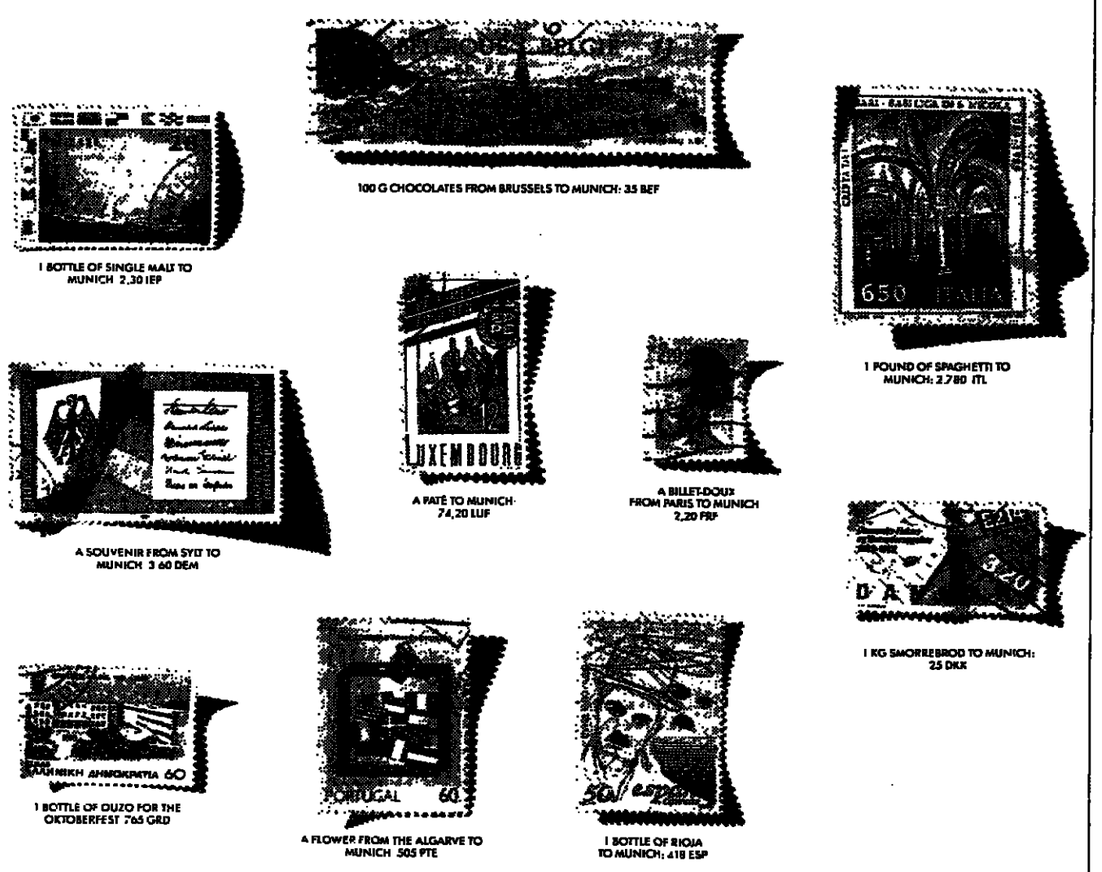

A new awareness is spreading throughout Europe. The days of isolation are over, everyone is concentrating on the single European market. And where can you make the most of it? In Munich, at the heart of Europe, where international experts and decision-makers have always felt at ease. The Munich Trade Fair Centre is the home of many top international events that attract first-class visitors and exhibitors from all over the world. It is simply the right place to be. Come to the Munich trade fairs and concentrate on essentials.

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Toward German Unity / A Special Report

Nicolas Assia

Media Giants Rush to Satisfy East Germany's News Hunger

By Anna Tomforde

BERLIN — The media revolution in East Germany has for the first time brought commercial advertising to state-run television, as the print media struggle with tough competition from the rich and sophisticated West German press.

Before and after the main evening news bulletin, the viewer is treated to advertising of Western coffee, face cream or the latest environment-friendly car to the tune of Louis Armstrong's "What a Wonderful World."

Screening commercials, hitherto hconned as the purest form of capitalist exploitation, is expected to earn state-run television 40 million Deutsche marks ($24 million) from a deal with a French marketing company. The money is earmarked for modernizing equipment and buying Western films to attract viewers.

But even before East Germany has opened the flood gates to Western capital, West German media tycoons have secured themselves a place in a promising and largely untapped news market. Exploiting the absence of clear government guidelines on the media, West Germany's four major publishing houses have moved in to set up their own independent sales and distribution network for some 400,000 copies per week of 75 Western newspapers and magazines.

Burda, Bauer, Springer, and Gruner und Jahr have carved up East German territory between them, and secured sales contracts with some 500 agents, who have been granted profit margins of up to 20 percent.

The West German publishers, in the words of an East German newspaper editor, have created a fait accompli before East Germany had a chance to prepare legislation that would abolish the state monopoly on newspaper distribution.

East Germany's media control council and the Journalists' Union have protested, saying that the "dictatorship of the party must not be replaced by the rule of West German media giants." The International Journalists' Federation (IFJ) has said that newly found press freedom could be jeopardized by the invasion of powerful West German concerns.

> West German publishers have created a fait accompli.

According to the Cartel Office in West Berlin, the setting up by publishers of a similar network in the West would not be admissable under West German anti-monopoly laws. Meanwhile, West Berlin's Tagesspiegel newspaper commented that the West German tycoons were well on their way to extending their power base to the whole of Germany. This, the paper noted, was something the victorious Allies had sought to prevent after World War II by encouraging the growth of independent newspapers and the establishment of a carefully balanced public broadcasting system.

The swamping of East Germany's virgin market with glossy Western products is, naturally, a threat to East Germany's own print media and those employed in them, with initial surveys showing that 3.6 million national newspaper and magazine subscriptions had been canceled by early April.

The media war comes at a time when East German newspapers, having thrown off the shackles of political control, are struggling with the withdrawal of hefty state subsidies. From April 1, East Germany's own newspapers have tripled or quadrupled in price, facing the added burden of selling their products at a far higher price to a readership quickly gaining a taste for the spicier dailies from the West.

The Communist Party daily, Neues Deutschland, hitherto one of journalism's dullest reads, has had to sacrifice the 15 pfennig (9 cent) cover price it had kept since 1946 for a steep 55 pfennigs (33 cents). Price rises for other newspapers and magazines are in a similar range as editors hope to devote additional space to advertising in order to rake in the cash to replace subsidies.

The price war is intensified by the West German publishers ignoring an interim rule that their products should be sold at a rate of three East German marks for one Deutsche mark, and deciding to sell publications at a one-for-one rate.

What worries East German editors most, however, is a business agreement between East and West under which profits made in East German marks will be "frozen" in local accounts until "Day X," the introduction of the Deutsche mark in East Germany with monetary union.

For these profits, an exchange rate of one-for-one has been agreed, giving the publishing companies a treanendous advantage over other competitors and investors.

ANNA TOMFORDE reports from Bonn and Berlin for The Guardian and the BBC.

Divided Art Collections Can Fill the Gaps

By Michael Farr

BERLIN — After more than 40 years of enforced division, East and West Berlin's 29 state-run museums are preparing to club together to revive the city's reputation as the cultural capital of Central Europe.

As East and West Germany unite, the often absurd separation of museum collections brought by postwar politics, ideological differences and the Berlin Wall can at last be remedied. Cooperation can take the place of rivalry and friction.

The first task of museum directors is to fill the gaps in their collections left by the division.

As the Allied wartime bombing of Berlin intensified, its museum collections were spread all over the country for safe-keeping. With the subsequent division of defeated Germany, many works of art ended up stranded in the wrong sector.

So, during the years of Communist rule in East Germany, missing items were listed in museum catalogues there as "illegally held in West Berlin."

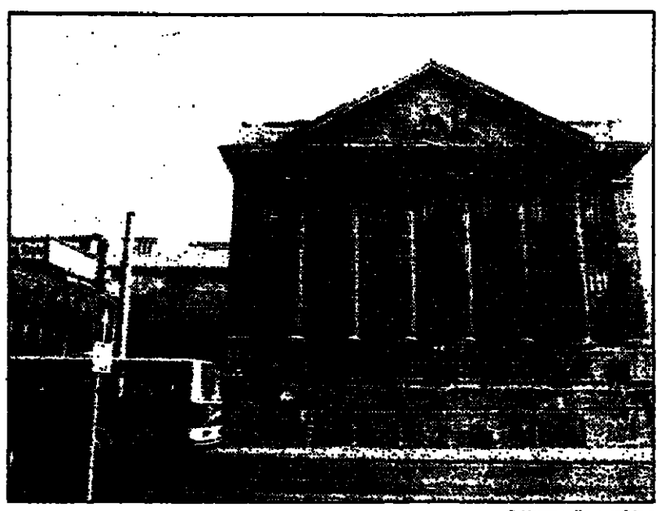
Politics and art became inseparable and the same lawyers and politicians who negotiated tense Cold War spy exchanges were brought in to arrange complicated art swaps. The Neoclassical statuary that once again adorns the Schinkel-designed Marx-Engels bridge (formerly Schlossbrücke) in the center of East Berlin was, for instance, exchanged for the pattern books of the KPM Royal Porcelain Manufacture.

Now, the 15 state-run museums in East Berlin and the 14 in the western half of the city can decide for themselves how to complete their collections.

Fragments of the famous Pergamon altar that had been stored in West Berlin can be added to the stunning display of the Hellenistic masterpiece in the East. A ring from the Ottonian "Gisela Jewelry," which ended up after the war in West Berlin, can be reunited with other parts of the treasure at Schloss Köpenick in the East.

There is talk, too, of setting up Western-funded foundations to help the cash-starved East Berlin museums make new acquisitions.

But the most urgent requirement, according to East Berlin museum officials, is the finding of new exhibition and storage space as buildings, such as the city's imposing National Gallery, are refurbished.



P. Mooyman, Hamilton Library

The Museum of German History in East Berlin.

The storage conditions, in which valuable furniture is piled up in unheated cellars with leaking roofs and pipes, were highlighted in a recent tour given to journalists by Dagmar Neuland, deputy director of the East Berlin Ethnographic Museum.

In the Museum for German History, housed in the former Arsenal building, one of Berlin's Baroque masterpieces, the storerooms are packed with some 450,000 items. These range from prehistoric times to the present and include weapons, everyday utensils from the 18th to 20th centuries, 60,000 drawings, posters and a library with 180,000 volumes. The museum has the original document of the constitution set out in 1848-49 by the Frankfurt National Assembly, Germany's first parliament, with the signatures of all the deputies, and the 9th century "Heliand" manuscript, the oldest written document that exists in German.

The Museum for German History responded swiftly to East Germany's peaceful revolution, shutting off already in November its section called "Socialist Fatherland GDR," which uncritically documented 40 years of Communist rule. Currently, it is showing instead an exhibition of some of the posters and banners calling for democratic reform that were held aloft during the street protests that brought down the Communist regime.

Employees of the museum, while acknowledging that its Marxist interpretation of history needs to be revised, have so far resisted suggestions that it should revert to being a military museum, displaying weapons and uniforms, as in prewar days.

They argue that it should continue to have a role as a history museum and point to its loan of items for a major Bismarck exhibition to be held in West Berlin this year, and to a joint exhibition being planned with the West's Memorial of German Resistance. This last will mark the 50th anniversary in July 1994 of the unsuccessful attempt on Hitler's life by Colonel Claus von Stauffenberg.

A working committee has also been set up to examine a joint East-West exhibition on the Cold War in Germany.

Other plans for East Berlin museums include an exhibition in 1992 of antiquities celebrating the great German archaeologist and classicist Johann Joachim Winckelmann, and a major display the following year at the Egyptian Museum. Plans are also afoot for the first postwar all-Berlin exhibition of pictures and drawings by the popular 19th-century artist, Adolph von Menzel.

MORE immediately, the National Gallery will mount a retrospective of East German abstract art, which was frowned upon by the now-discredited Communist authorities. At the same time, a number of paintings of lesser artistic merit in the officially approved Socialist Realist style can expect to be relegated to the reserve collection.

There are also exciting possibilities for the temporary exchange of works of art. The East Berlin National Gallery, for example, could lend one of its three Cézannes in exchange for a prime German Expressionist painting from the West.

But one aspect that needs immediate attention, according to curators, is the imperfect security in many East German museums, which for financial reasons and due to a lack of technological know-how have not been able to install the latest anti-theft devices.

Pure chance prevented a major art theft at Schloss Gorgium in Dessau, near the East German city of Halle, in February. Two West Berlin men were arrested after six Old Master paintings worth over $20 million were recovered in the castle grounds. They included Rubens's portrait of Louis XIII, valued at $7 million, a well-known crucifixion by Lukas Cranach the Elder and works by Hieronymous Bosch and Frans Hals.

MICHAEL FARR reports from Germany for the London Sunday Correspondent and for U.S. News and World Report. He is writing a book on East Germany and Eastern Europe.

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Toward German Unity / A Special Report

Berlin and That 'Small Town in Germany'

By Henry Tanner

BONN — A few months ago, when people were still getting used to the surprising thought that German unity might actually be possible, it was taken for granted that Berlin would again be the nation's capital. Now there are doubts.

Bonn, the often derided "small town in Germany" that inspired John LeCarré but almost no one else, is suddenly finding defenders among editorialists and politicians *from Hamburg to Munich, not to mention* a number of foreigners, including Prime Minister Margaret Thatcher, who is known to have spoken earnestly about the issue to Chancellor Helmut Kohl in London some weeks ago

Mr. Kohl has not publicly stated his choice and is not likely to do so before the West German elections in December.

With the certainty gone, it is possible that Bonn will have a chance to hang on for quite a while longer or that eventually it will share some of the functions, if not the name, of capital with Berlin.

Berlin, for reasons of history, national pride, geography, size, vitality and cultural and intellectual dimension, would be the obvious choice. "It doesn't have to become a capital, it has always been one," say its boosters.

East Germany's new political leaders, including Prime Minister Lothar de Maizière in his first government declaration, take Berlin's claim for granted. So do their predecessors and the East Berlin "man-in-the-street." The tune is the same in West Berlin.

Berliners point out that for 40 years Bonn has been described in all official West German texts as "the temporary capital" pending a return to Berlin. Was all this, they ask, simply hypocritical posturing and hiding behind an Allied veto that has now been destroyed?

Berlin as capital provides the best and quickest way to integrate the two Germanys, they say; it is "looking east" and thus opens untold economic and political opportunities, they add. Leaving the capital in Bonn would be a "betrayal" of the East Germans, a conservative West Berliner exclaimed.

But back on the Rhine, some of these arguments have an ominous ring.

"Bonn is in Western Europe and looking west; Berlin is in Central Europe and looking I don't know where," said a professor in Bonn. Others argue that the Federal Republic has become "one of the most successful federal democracies in the world" and that the balance between its cities and *länder* has been served well by the small unobtrusive capital. Why change it for the imperial weight of Berlin?

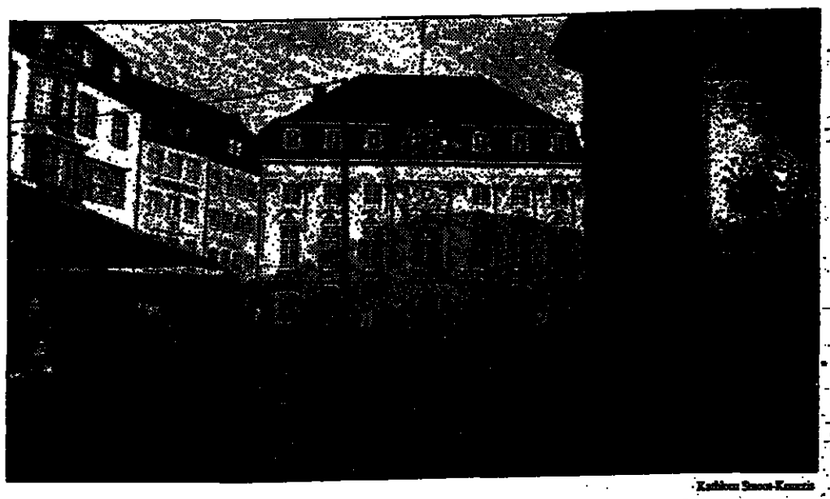
Joachim Fest, the respected historian and editor of the Frankfurter Allgemeine Zeitung, Germany's most influential conservative newspaper, disagrees. A "sense of history" as well as the official statements of the past point to Berlin, he says.

"It is essential that the unified Germany retain its strong link with the West," he wrote in a recent editorial, adding that if the Germans lost sight of this lesson of the last 40 years, they would not be able to avoid disaster even if they kept their capital on the Rhine.

Die Welt, another leading national daily, has also come out for Berlin.

Bonners, unsurpisingly, made a narrow economic case: A transfer to Berlin would cost between 50 billion and 100 billion Deutsche marks ($29 billion and $58 billion), they said, and would mean the transplantation of an estimated 150,000 civil servants and family members.

The debate became serious for Berlin when leading politicians in Frankfurt, Munich, Stuttgart, Cologne and other West German power centers started to voice public and private fears about the future of the federal balance, prompting Berliner Morgenpost, West Berlin's biggest daily, to write pessimistically about a great coalition "conspiring" against Berlin.



Kathleen Smout-Kaunzis

The City Hall in Bonn, which is putting up economic arguments to stay the capital.

U.S. Firms Respond to the Call For Foreign Investors in East

By Miriam Widman

FRANKFURT — Investing in East Germany is not a German-only affair, as many American companies have realized, but if one wants to do business in the German Democratic Republic, one had better make contacts fast before West German firms grab the best opportunities.

Several major American companies have shown that they are just as aggressive about investing in East Germany as their West German counterparts. U.S. companies, ranging from Coca-Cola to IBM to Citibank, have either already signed agreements with East German partners or are working to set up shop there.

And, while the general view west of the Rhine is that if you are not German you do not have a chance in East Germany, U.S. businessmen who have made the effort say that is not so.

"There's so much to do here, the West Germans couldn't possibly do it all," said Joey Shumate of Woodward-Clyde Consultants, an American environmental consulting group with offices in Switzerland and West Germany.

Thomas J. Payne, a California-based businessman who serves as a consultant to the state's walnut and raisin growers, says American firms may almost have an advantage. "I think they'd almost rather deal with us," he said. "They're afraid of getting eaten up by the West Germans."

Yet, while the opportunities are widespread, doing business in East Germany is not easy. Many American companies are holding back for several key reasons: A Western-style legal framework is not yet in place and neither is the currency union. Companies want to be sure that they can transfer profits out of the country and that they can buy or lease land. Additionally, employee costs have not yet been determined, as it remains unclear what salary levels will be and what social security contributions will cost. Finally, many American companies want to wait until the Deutsche mark becomes the official currency in East Germany, as that will drastically simplify their accounting and guarantee that the money they receive for payments will be fully convertible.

Here is an overview of American companies' investments in East Germany. The list is not designed to be complete, but to give a general idea of who is doing what in the East.

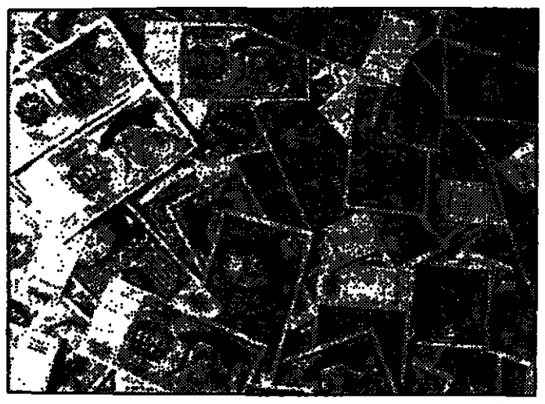
● COMPUTERS — The Coordinating Committee on Multilateral Export Controls, better known as CoCom, has long hindered the exports of U.S. technology to East European countries. Many expect the rules either to be eased, or hope that CoCom restrictions will no longer apply to East Germany. While Compaq and Apple are waiting for a CoCom liberalization and for East Germany finally to create the legal framework for Western-style business, International Business Machines Corp. and NCR have already announced some agreements and Digital Equipment Corp. is working to expand its presence.

IBM Deutschland GmbH, the computer giant's West German subsidiary, has signed agreements with 11 East German computer centers, known as *Datenverarbeitungszentrum*, or DVZ, for software development projects.

NCR GmbH, the company's West German subsidiary, has a joint venture with Robotron's export-import division to sell its cash register and personal computers to small and medium-sized companies.

Digital recently opened an office in West Berlin for its East German business and eventually wants to transfer that office to East Berlin headquarters. Additional offices in Dresden and Leipzig are being planned.

● BANKS — In comparison with West German banks, like Deutsche and Dresdner, which want to expand their empire eastward, U.S. banks, with the exception of Citibank, have been very reticent. Analysts say that having been burned in Latin America, American banks are unwilling to get involved once again with less than stable economies.



J. Pavlowsky/Sygma

Other U.S. banks say they are interested, but have no concrete plans as yet.

● EXPRESS MAIL SERVICES — Federal Express is opening an office in West Berlin to serve both sides of the city. There are tentative plans to open stations in Leipzig, Dresden and Karl-Marx-Stadt. DHL has been active in East Germany since 1986, conducting operations from a West Berlin office.

● CONSUMER PRODUCTS — Activity in this wide-ranging sector varies. Coca-Cola Deutschland GmbH, the West German subsidiary of Coca-Cola, plans to open up as many as 10 bottling plants throughout East Germany. The first plant is expected to open by this summer and the first fully modernized installation is planned for Dresden in 1991. The company's products, including Coke, Diet Coke, Fanta and Sprite, are already being sold in exchange for East German marks. Pepsi-Cola GmbH is waiting for the currency reform and Western legal framework to take effect.

Adam Opel AG, owned by General Motors, is involved in a joint venture with Automobil Werk Eisenach, a state-owned car company. Opel says that it wants to produce 150,000 cars annually, and is seeking a majority stake in the deal.

Both Kraft and Proctor and Gamble have taken a wait-and-see approach. P&G is waiting for the currency union to take place.

Levi Strauss wants to sell jeans in East Germany but an expansion there will have to wait until the company can solve its capacity-utilization problems in West Germany first.

MIRIAM WIDMAN is a free-lance journalist based in Frankfurt.

Frankfurt Opens New Chapter In Book of Financial Services

By Richard E. Smith

FRANKFURT — For most of the last decade the financial center of Frankfurt has been hounded by nearly everyone for being laggard on reforms, cautious and overtaxed.

None of its critics would have dreamed six months ago that the Frankfurt Stock Exchange was on the threshold of a bull market, which at this point is one of the world's most promising long-term debts, compliments of Mikhail S.Gorbachev and a falling Berlin Wall.

Frankfurt will be the chief financier of a reunited country and seems destined to gain a special role in the coming crucial years as the most logical bridge between West and East. Much of the pioneer work in special new forms of venture capital, management consultancy and lending is likely to evolve in a city which is already one of the West's most experienced centers in East European financing.

Analysts say that this unexpected bonus may promise an entirely new dimension for Frankfurt for *years to come but warn at the* same time that the evolution of Eastern Europe will be a stop-and-go, frustrating process, especially in the beginning.

It is back home in the capitalist world that Frankfurt, increasingly fearful about lagging behind other markets, has been able this year to take steps that will have a much more immediate payoff.

The year began with a smooth debut for the German Futures Exchange, an event the Deutsche Bundesbank called "a new chapter in German markets" in its annual report published late last month.

"This could have far-reaching consequences for the structure of markets in West Germany," said the Bundesbank, predicting that steadily more products would be made available for futures trading. "It will close a gap in services in West Germany that has so far been a benefit to competing foreign financial centers."

Frankfurt, the world's last major market to introduce futures trading, had to watch helplessly a year ago as both the London International Financial Futures Exchange, or Liffe, and the MATIF in Paris became the first markets to launch futures vehicles based on Euromark rates.

But in January, the German Futures Exchange began operations with options on 14 blue-chip stocks and will begin this summer offering a futures contract based on the chief Frankfurt stock index and another based on West German government bonds.

"We are considering other products for the future in order to keep pace with other markets," said Gerhard Zink, spokesman for the futures market.

Daily volume has risen from about 18,000 contracts in the market's initial sessions to roughly 28,000.

The German Futures Exchange has notably benefited from its full computerization. Being the last major market to launch futures operations was in this respect a blessing because Frankfurt was able to build on the experience of other markets, installing the most up-to-date technology and avoiding some of the start-up problems suffered recently in Zurich.

The futures market in Frankfurt also received a major boost in March, when a law was revised to allow investment funds to trade in futures markets for the first time. This is crucial to the success of any futures market because it is only institutionals such as investment funds and insurance companies that normally have positions large enough to make the risk and trouble of futures trading worthwhile.

Among other recent reforms, West Germany has relaxed limitations on the access of foreigners to the country's capital markets and made it possible for securities denominated in other currencies to be listed on West German exchanges.

Finally, the country is now embarking on a series of tax reforms that will remove some of the most irksome barriers to business in Frankfurt.

A new law passed in March will allow the tax on security transactions to be canceled at the beginning of next year and a tax on new capital issues to be revoked a year later.

IN SPITE of all of this, London seems unlikely to be dislodged any time soon as Europe's premier international market.

"The Anglo-Saxons are internationally minded," said Alfred Herrhausen, the late chairman of Deutsche Bank, last fall after his bank had spent the equivalent of nearly $1.5 billion to acquire the British merchant bank Morgan Grenfell.

"In Germany, people are not internationally minded. They have got *to learn to be.*"

Among other major changes still to be made, bankers hope that West Germany's strict regulations on minimum reserves might be adjusted.

Many voices are also calling for a greater consolidation of West Germany's eight stock exchanges.

"When business is not traded in Frankfurt, it migrates to London or Paris and not to other West German exchanges," said Bundesbank President Karl Otto Pöhl in a speech last year.

"Frankfurt is the only center that has the chance to be seriously taken as an international center," he said.

European savoir-faire

Europe is taking steps to create the world's largest unified market. This development will pave the way to a whole spectrum of new opportunities.

Reaping the potential gains will require the support of banks with substantial resources and a proven European savoir-faire. Deutsche Girozentrale – Deutsche Kommunalbank – is such a bank, being a central institution of West Germany's savings banks – the nation's largest banking sector. A dominant part of DGZ's international activities is already geared to the EC dimension.

As a European public-sector lending institution, DGZ serves a growing clientele of corporations, banks, and government entities. The bank provides a wide range of commercial and investment banking services, including major syndicated fund-raising operations.

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Dates that feature in 9 out of every 10 calendars.

1990		
May 08–May 10	ShowTech Berlin '90	International Trade Fair and Congress Entertainment Technology, Stage Engineering, Equipment, Organisation
May 16–May 18	International ISDN Congress 1990	
May 24–May 27	90. Deutscher Katholikentag Berlin 1990	
Jun. 05–Jun. 09	Medical Congress Berlin 1990	in conjunction with Pharmaceutical and Medico-Technical Exhibition
Aug. 25–Aug. 31	VIIIth International Congress of Virology and International Symposium of Microbiology	
Aug. 29–Sep. 01	28th Import Fair Berlin "Partners for Progress"	(Test sales/Public section until Sep. 02)
Sep. 10–Sep. 13	MICRO SYSTEM TECHNOLOGIES 1990	1st International Conference and Exhibition on Micro Electro-Mechanical Systems An event under the auspices of BIGTECH Berlin
Sep. 12–Sep. 16	InduTech '90 Berlin	
Sep. 15–Sep. 23	ANTIQUA '90 BERLIN	19th Sales Exhibition for Arts and Antiques
Sep. 17–Sep. 20	XXII. APCOM 1990 Berlin	
Sep. 26–Sep. 29	Reinigungs-Technik 90	International Trade Fair + Congress Building Cleaning, Industrial Hygiene, Services, Maintenance
Oct. 01–Oct. 06	SIBOS – S.W.I.F.T./International Banking Operations Seminar	(Society for Worldwide Interbank Financial Telecommunication)
Oct. 06–Oct. 14	AAA '90	Motor Show Berlin
Nov. 17–Nov. 25	Gesundheit '90 Berlin	Nutrition – Fitness – Environment
Nov. 17–Nov. 25	allerHand '90	Kulinaria & Manual Trades Exhibition Berlin
Nov. 17–Nov. 25	Pets and Plants '90 Berlin	
Nov. 28–Dec. 01	elektro '90 Berlin	Specialist Electrical Engineering Fair
1990		
Jan. 25–Feb. 03	International Green Week Berlin 1991	Exhibition for the Food Industry, Agriculture and Horticulture
Mar. 02–Mar. 07	ITB Berlin 1991	International Tourism Exchange
Mar. 14–Mar. 15	3rd European Advanced Training Congress	

Excerpt. Situation as of 4/90. Subject to alterations.

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Toward German Unity / A Special Report

Immigrants' Tales Of Luck — and Woe

With Scarcity of Jobs and Housing, Bonn's Welcome Mat Wears Thin

By Anna Tomforde

BONN — Rolf and Bettina Lampert and their three sons are among the lucky East German *Übersiedler*, immigrants, who have managed to settle comfortably in West Germany in less than a year.

Since they arrived last July, the punishment and restrictions threatening East Germans who fled their country have crumbled along with the Berlin Wall, and the Lamperts went back to their native Dresden for an Easter visit.

For six-year-old Felix, the oldest son, it was a chance to play once more with his friends and to say a proper farewell,

After July 1, Bonn will close reception centers and scrap cash handouts.

and for the parents to mend fences with close relatives who had disapproved of the young couple's decision to go West.

Looking back, Mr. Lampert's transition from being a lecturer in engineering at Dresden Technical University to a similar post at Karlsruhe University in West Germany was so smooth it seemed automatic. But finding a job that was academically satisfying and that paid four times more than in the East was "pure luck," according to the 46-year-old engineer.

Earning four times as much also means working four times harder, he adds, because of the much higher standards of research and technology in the West.

Like most of the 340,000 East Germans who came to the West last year, the Lamperts had a four-month spell in temporary housing, with the five of them sharing a room of only 17 square meters (183 square feet). Now they live in a spacious flat on the rural southwest outskirts of Karlsruhe, their books and pictures have arrived from Dresden, and they have acquired a Mazda estate car big enough for the family.

"We were lucky because we came just before the great rush that began with the opening of the Hungarian border last September. That gave us a big advantage," Mr. Lampert said.

Another 150,000 East Germans have arrived so far this year, with the flow seemingly reduced after the first free elections in March and the prospect of monetary union with West Germany.

Nonetheless, experts still believe this year's influx could exceed that of 1989 if East Germans should judge the pace of economic and political improvement to be too slow.

At the end of March, 140,000 East German immigrants in West Germany were unemployed, with academics statistically the worst off.

The Bonn government, signaling that its hospitality is wearing thin, has taken measures to stem the flow, as opinion polls show that more than 70 percent of West Germans want the migration from East to West to stop.

From July 1, the date by which the West German mark is to be partly introduced in East Germany, Bonn will close its reception centers and scrap cash handouts to the refugees, arguing that under the new political circumstances coming from East to West is no more disruptive than making a normal move.

Both the reception camps and the "welcome money" were relics from the immediate postwar years when millions of ethnic Germans and other refugees from Communism streamed to the West.

But while the laws and regulations on which the welcome was based may have been made obsolete by the East-West thaw and the dramatic changes of last fall, the practical problems of integration remain.

Many of the East Germans are still housed in overcrowded hostels, camps and other temporary centers, including sport halls, army barracks, disused brothels and converted pleasure boats. The acute shortage of apartments in West Germany is projected to rise to 1.2 million this year, despite Bonn's launching of a massive housing program that keeps the building industry busy.

Tension in the camps has led some local authorities to place the centers under police guard as the strain of cramped conditions and dwindling job prospects begins to tell. Some cities are paying for the return journey of East Germans who decide to go home.

Still, the mostly young and well-qualified East Germans have a tremendous advantage over refugees from Poland, the Soviet Union and other Eastern European countries, from which 380,000 came to West Germany last year. Family bonds, the common language and good professional qualifications guarantee a relatively smooth integration for East Germans.

Patrick Robert/Sygma

One of the "freedom trains" that brought thousands of East Germans to the West in October

Patrick Robert/Sygma

East German refugees proudly display West German passports.

For the first time since World War II, the Bonn government has taken measures to stop the uncontrolled influx of ethnic Germans from the Soviet Union, Poland, Romania and other countries. In a reversal of postwar policy that allowed them an automatic right to settle in West Germany, those who wish to do so now must obtain entry permits before they leave their home country.

This year an estimated 600,000 East Europeans are expected to emigrate to West Germany, with 200,000 Romanians forming the biggest single group.

Legislation due to be passed in the summer will end a procedure whereby Poles and other East Europeans marked as being of "German origin" on meticulous lists kept by the Nazi occupation forces are automatically accepted as Germans.

Those who still decide to come have a chance of being recognized as "hardship cases" but will have to forgo generous financial help for starting a new life in the West.

The Bonn government says the restrictions are necessary to ensure "dignified living conditions" for the refugees already here and those still intending to come.

The preoccupation with the immigration from the East has driven from the headlines the plight of refugees and asylum seekers from Third World countries who, according to human rights organizations, have become "second-class citizens" in the increasingly tough struggle for housing and work.

Despite West Germany's low recognition rate for political refugees of only 5 percent in 1989, the flow of asylum seekers, from countries as far apart as Vietnam and Lebanon, has shown no sign of abating, and continued at a high level in the first months of the year.

In addition to the 72,000 East Germans and Eastern Europeans who settled in West Germany last year, 121,000 foreigners applied for political asylum — a record annual figure according to the Office of the United Nations High Commissioner for Refugees.

The development has led the UN office to warn that global migration trends can no longer be controlled by instruments of "national asylum policy," but that the West must begin to look at remedies for the social and economic problems in the countries of origin.

A City Built on Steel Braces for Hard Times

By Michael Farr

BRANDENBURG, East Germany — Few places illustrate the depth of the problems facing newly democratic East Germany more graphically than the city of Brandenburg, west of Berlin.

Situated astride the river Havel, it became prosperous in the Middle Ages with the salt trade and was an important garrison town under Frederick the Great. Today it is famous for its steel and notorious for its pollution.

As East Germany prepares the way for economic union with West Germany and grapples with the problems of transforming its monolithic centrally planned economy into a viable free-market alternative, Brandenburg faces drastic change.

This will involve large-scale layoffs as outdated steel furnaces are shut down both on account of overcapacity and in a belated attempt to curb alarming pollution levels.

"I fear for my job, but I fear for the health of my children more," said one steelworker in his mid-thirties.

Steel production has taken over Brandenburg. It is symbolized by the 16 chimneys of one of East Germany's oldest and dirtiest steel works that mar a skyline that was once dominated by a Gothic cathedral and two other graceful churches.

THE town's 100,000 inhabitants depend for their livelihood on the VEB Stahl und Walzwerk Brandenburg (SWB), East Germany's most important producer of crude steel.

The local football team plays in the first division under the name Stahl Brandenburg (Brandenburg Steel).

But despite their dependence on it, steel has also become a dirty word to Brandenburgers.

An outcry accompanied the recent publication of pollution statistics, which the previous Communist authorities had kept secret for years.

The figures show that every year the steel works has been belching 9,000 tons of heavy metal dust into the atmosphere, including more than four tons of the toxic metal cadmium.

Scientists calculate that since the giant steel plant was started up after World War II, 36,000 tons of zinc, 12,000 tons of lead, 5,000 tons of copper, 2,000 tons of chrome, 100 tons of cadmium and 60 tons of nickel have been deposited on what was once one of Prussia's finest cities.

When it rains in Brandenburg, every drop is blackening. Puddles become slimy black pools where even children fear to tread.

War damage is also evident everywhere. "They haven't done anything since the Russians blasted their way through in their drive to Potsdam and Berlin," complained one woman pensioner.

"But the most criminal example came last year when the cornice of one of the damaged and neglected buildings crashed down and crushed to death two children and an adult in the main shopping street," said a mechanic.

Like nearly every town and city in East Germany, Brandenburg desperately needs rebuilding and restoring, quite apart from cleaning up. With insufficient funds of its own, it is inevitably turning to West Germany for financial assistance.

West German tourists have begun returning in anticipation of Brandenburg's summer regattas, which in prewar days were an important fixture on the Berlin social calendar.

But Brandenburg's immediate future will continue to hinge on steel.

The West German steel industry, at the cost of expensive layoffs, has completed a painful rationalization program which has left it modern, highly productive and profitable. Now the East German industry will need to have its subsidies withdrawn and be radically overhauled, modernized and cut back if it is to remain at all competitive on world markets, industry analysts believe.

More than 40 percent of the steel produced at the Brandenburg works is smelted in outmoded Siemens-Martin furnaces, technology that the West dispensed with years ago.

According to Lutz Kotlowski, deputy director of the steel concern, crude steel production using the old technology is due to come down this year to 1.7 million tons from more than two million previously, and further to one million tons by 1995 at the latest. At the same time production is planned to rise at more modern electro-steel plants.

The East German steel industry, which has been producing eight million tons of steel a year, cannot afford the cost of modernization on its own and has been turning to Western steelmakers for assistance. The big West German steel names — Krupp, Thyssen and Mannesmann — having rationalized their own industry, are preparing to come in to salvage East Germany's.

Brandenburgers hope that some steel jobs can be saved and that other industries may move in and offer employment, but in the short term the town is bracing itself for a hard time, with cleaner air the only consolation.

"Saving this city will be a big job, which I don't expect to see completed in my lifetime," said a pensioner working in the local museum. "But perhaps from being a grimy little town we can return to being a great city with a history, and a future."

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SPORTS

Blackhawks Stun Blues, 8-2, Gain Stanley Cup Semifinals

The Associated Press

CHICAGO — Jeremy Roenick and Steve Larmer played the leading roles in bringing the curtain down on the St. Louis Blues.

"We've rehearsed this game for a year, coming back from adversity," the Chicago coach, Mike Keenan, said after an 8-2 victory Monday night that sent the Blackhawks into the semifinals of the Stanley Cup playoffs.

Roenick scored two goals in the first period and Larmer opened the second period with a short-handed score and added four assists to turn what had been a tightly played series into a rout in the decisive seventh game.

"We initiated a lot of play in the first period and Jeremy Roenick sparked the team," Keenan said. "That early spark carried us. We got a solid performance from [goalie] Ed Belfour and we capitalized on our offensive opportunities. Steve Larmer deserves a lot of credit. He killed penalties and played on all his shifts.

"I'm proud of this team," Keenan added, "we're the only team from the final four last year to repeat."

The Blackhawks, eliminated in the semifinals last year by Calgary, now go up against the Edmonton Oilers in a best-of-seven Campbell Conference series that opens in Edmonton on Wednesday night.

Brett Hull of St. Louis, who had 13 goals and 20 points in the previous games, did not score in Game 7 and was held to three shots on goal.

"Sure, I'm disappointed and I'm upset," said Hull, who accused some of his teammates of not going all out.

"You can say what you want, but if you go out and don't want to play, what can you say?" Hull said. "There were a lot of guys out there who didn't give an effort. Without all 20 of us, it's a futile effort. To say the least, we didn't play well."

Soviets Rout Canada

The United States beat Finland, 3-2, Tuesday to win its sixth straight at the World Hockey Championship. But a day earlier a crucial contest became no contest when the Soviet Union routed Canada, 7-1, in the medal round, The Associated Press reported from Bern.

"Some of the players were a little selfish and we took a lot of unnecessary penalties," said the baffled Canadian coach, Dave King. "We didn't play very smart."

It meant disaster against the razor-sharp collective work of the Soviets, who are within reach of an unprecedented 22d world championship. The Soviets need only a tie against Czechoslovakia on Wednesday to retain the title they won last year at Stockholm.

NHL PLAYOFFS

Seven different Soviets scored against Canada, a mark of the team's depth.

Czechoslovakia scored twice within 55 seconds in the third period Monday night to tie Sweden, 5-5. If the Soviets beat Czechoslovakia in the gold medal game, Sweden can win the silver by beating Canada in the tournament finale.

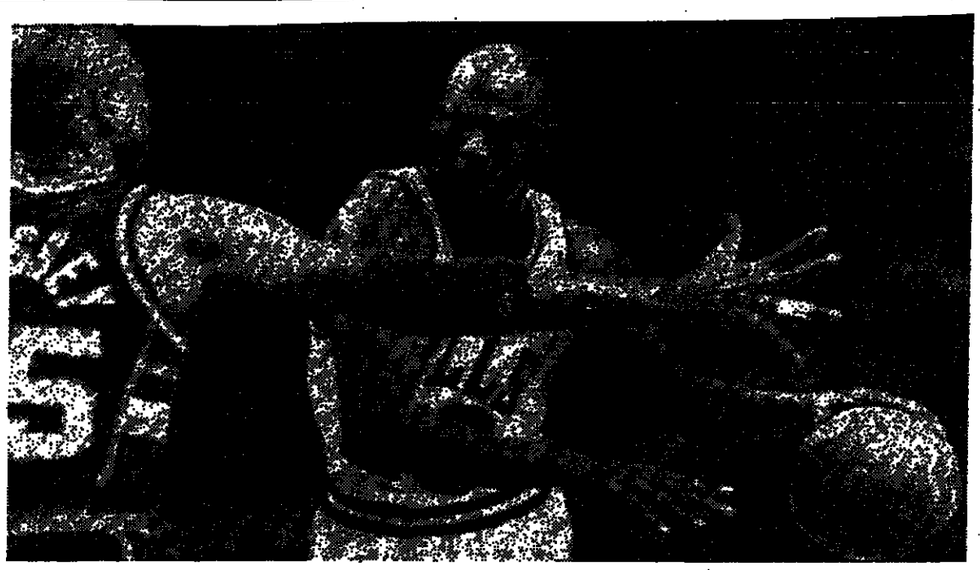
Czechoslovakia trailed Sweden by 3-0 after less than five minutes.

Sweden's coach, Bengt Ohlson, said the quick lead proved a burden as the Czechs did everything to catch up and the Swedes got nervous in the final period.

With the Swedes leading by 5-3, Robert Reichel and Oto Hascak, two of several Czechoslovak players headed for the National Hockey League, scored in quick succession to tie it at 14:10 of the third period.

Czechoslovakia has not won the world championship since it hosted the 1985 event.

It was the first time the Americans had won six successive matches in the 70-year history of the tournament. They finished the tournament at the head of the four-team relegation play-off, having lost their first four games, against the four medal teams, but winning the rest.



John Swart/The Associated Press

Paul Pressey of Milwaukee got a hand in Michael Jordan's way, but Jordan and the Bulls got around the Bucks' defense and won, 109-102, Sunday. That put Chicago one victory away from sweeping the National Basketball Association series.

AP

Lakers' Riley: Surpasses Auerbach.

Riley: 100 and No. 1

The Associated Press

INGLEWOOD, California — Pat Riley became the winningest coach in NBA playoff history when his Lakers rallied to beat the Rockets, his 100th playoff victory surpassing Red Auerbach, the former coach of the Boston Celtics.

It took Riley, 45, just nine years to amass 100 playoff victories; Auerbach, who coached before the NBA expanded the playoffs, got 99 in 20 years.

Auerbach had eight playoff victories with the Washington Capitols in the late 1940s, one more with the Tri-Cities Black Hawks in 1950 and the rest with the Celtics, whom he coached from 1951 until 1966, winning nine NBA titles.

Riley's Lakers have five league crowns already.

Down 17, Lakers Go 2-0 Against Rockets

The Associated Press

James Worthy saved the Los Angeles Lakers from embarrassment and perhaps from worse.

"Nobody said it would be easy," Worthy said after he scored 32 points, five in the final 1:19, as the Lakers came back from a 17-point halftime deficit Sunday to beat the Houston Rockets, 104-100, by scoring the last seven points of the game.

That extended the unbeaten streak of home teams in the National Basketball Association playoffs to 14 games and gave the Lakers a 2-0 lead in their best-of-five opening-round series. The home-court edge grew to 15 when Philadelphia beat Cleveland, 107-101, before Phoenix won at Utah, 105-87, Sunday night.

The Los Angeles victory gave the team with the league's best regular-season record some breathing room heading for games Tuesday and Thursday at the Houston Summit, where the Lakers lost both of their regular-season games.

The Lakers trailed by 65-48 at halftime but turned it around in the second half behind a defense that held the Rockets to 17 points in the third quarter and 18 in the fourth.

"At halftime, a spirited oration is not what happened," said the Lakers' coach, Pat Riley. "Halftime was about being outplayed, being outrebounded and getting our tails kicked."

But they still trailed, 98-93, with 2:36 to go. Then Orlando Woolridge made two free throws to cut it to three points, and Vlade Divac followed up a Woolridge miss to make it 98-97.

Vernon Maxwell of Houston hit a short jump shot to make it 100-97 with 1:30 remaining and Worthy sank two free throws with 1:19 left. Then Worthy intercepted a pass by Akeem Olajuwon, broke away for a layup, and it was 101-100 with 33 seconds to go.

NBA PLAYOFFS

Worthy made another foul shot and Byron Scott sank two more for the final margin.

"We've had to work for everything we've gotten against them," Worthy said. "They're a big, physical team and they feel like they've got a lot to prove."

Magic Johnson had 17 points and 14 assists for the Lakers. Scott had 17 points, 13 coming in the third quarter.

Sleepy Floyd had 27 points and Maxwell 24 for the Rockets. Olajuwon was held to 11 points, but he blocked a playoff record-tying 10 shots and had 11 rebounds.

Suns 105, Jazz 87: In Salt Lake City, Utah, Kevin Johnson shook off the flu to score 22 points and Mark West had 21 rebounds as Phoenix evened its Western Conference series with Utah at 1-1.

The series moves to Phoenix for games Wednesday and Friday. A fifth game, if necessary, would be played at Utah on Sunday.

Johnson, plagued by an intestinal virus, was scoreless and played just nine minutes in the Suns' 113-96 loss on Friday. But he was strong Sunday, touching off a 7-2 flurry in the first half that gave the Suns their first substantial margin.

"There was no way I was going to sit out another playoff game if I could help it," said Johnson.

"We were prepared to play another lineup," said his coach, Cotton Fitzsimmons, who left the decision to play up to Johnson. "He rested before the game. I don't need to tell you where he does his resting. He was sitting down most of the time."

Johnson played 39 minutes, making seven of 14 shots and adding seven assists.

Karl Malone of Utah, the second-leading scorer in the NBA with 31 points per game, scored just four in the second half, for a total of 20 before he fouled out with 3:22 remaining. Malone, who made just seven of 21 shots, got little help from all-star teammate John Stockton, who was held to 12 points and eight assists.

"They outworked us tonight in every aspect of the game," Malone said. "They wanted it more than we did, and it showed in the way they played."

76ers 107, Cavaliers 101: In Philadelphia, Charles Barkley scored 32 points for the 76ers, who are one game away from a sweep of their Eastern Conference series. The series moves to Richfield, Ohio, for Game 3 on Tuesday and Game 4, if necessary, Thursday.

Barkley, who scored 38 points in the first game, triggered the victory when he scored nine points in a 14-6 rally at the start of the third period. It turned a 59-56 halftime deficit into a five-point lead.

The closest the Cavs got thereafter was 74-73 with 4:47 left in the third period.

Hersey Hawkins, who had 35 points in Game 1, scored 21 for the 76ers.

Mark Price led Cleveland with 27 points, while Winston Bennett scored a career-high 22.

SIDELINES

Tyson and Foreman Set For June Doubleheader

NEW YORK (NYT) — Former heavyweight champions Mike Tyson, 23, and George Foreman, 41, will fight in a June 16 doubleheader.

Tyson (37-1, 33 knockouts) will fight Henry Tillman and Foreman (66-2, 62 knockouts) will face Adilson Rodrigues at Caesars Palace in Las Vegas, it was announced Monday. The matches will be co-promoted by Bob Arum, Foreman's promoter, and Don King, Tyson's promoter, who have been bitter rivals over the years.

Rodrigues, who is from Saõ Paulo, will be the first world-ranked contender Foreman has fought during his comeback. Rodrigues has a 36-3 record (26 knockouts) and is ranked No. 11 by the World Boxing Council and World Boxing Association.

Frost Beats Norman by 1 With 50-Foot Sand Shot

NEW ORLEANS (AP) — David Frost holed a 50-foot (15-meter) shot from the sand on the 18th hole Sunday to beat Greg Norman by one stroke in the $1 million USF&G Classic. It was the first tournament victory for Frost since he won the World Series of Golf last year.

Norman began the round five strokes off the pace, led after six holes and was tied with Frost at 11 under after a birdie on 18 completed his round. Frost hit his drive on 18 into the sand on the left of the fairway, then gambled by hitting a three-iron 208 yards (190 meters) over water and into the front bunker.

Norman, known for losing wild finishes in major tournaments, shot a final-round 65, the best of the tournament, with eight birdies, an eagle and two bogeys. Frost shot 69 for a 276 total, 12 under par.

For the Record

Sot Chitlada of Thailand retained his WBC flyweight title Tuesday with a unanimous decision over Carlos Salazar of Argentina in Bangkok. *(AP)*

Nigel Benn of England won the WBO middleweight title Sunday night by knocking out defending champion Doug DeWitt of the United States 44 seconds into the eighth round of a scheduled 12-round bout in Atlantic City, New Jersey. *(NYT)*

Italy's champion soccer club Napoli has extended the contract of Brazilian midfielder Alemao for two more years, until June 1992. *(Reuters)*

Frank Warren, a defensive with the New Orleans Saints, was suspended Monday by the NFL for at least a year after testing positive for drugs a third time. *(AP)*

Muffin Spencer-Devlin, the U.S. pro golfer who walked out of a pre-tournament dinner and was disqualified from the Ford Ladies Classic last week in England, has withdrawn from the women's European tour, an official said Monday. *(AP)*

Quotable

Mike Tyson on losing his title to James (Bister) Douglas in Tokyo in February: "Those things happen. You're successful for a time. Eventually, you get your head handed to you. I had 37 good nights and one bad one. I'm sure I've got more good ones in me."

BOOKS

COUNTENANCE OF TRUTH: The United Nations and the Waldheim Case

By Shirley Hazzard. 179 pages. $17.95. Viking Inc., 40 West 23d Street, New York, N. Y. 10010.

Reviewed by
Christopher Lehmann-Haupt

THE Waldheim case was not an isolated or happenstance incident in the annals of the United Nations, Shirley Hazzard, the novelist and short-story writer, contends in her morally stringent "Countenance of Truth: The United Nations and the Waldheim Case."

That Kurt Waldheim could have served as secretary-general of the United Nations from 1972 to 1982 while concealing his Nazi past was both a symptom and a result of the way the organization functions, Hazzard says.

"Since the moment of the United Nations' inception," she writes, "untold energies have been expended by governments not only toward the exclusion of persons of principle and distinction from the organization's leading positions, but toward the installation of men whose character and affiliations would as far as possible preclude any serious challenge to governmental sovereignty or dynamic intervention on behalf of the organization's stated aims — men who would agree to the institution's remoteness not only from public scrutiny but 'from beholding the bright countenance of truth.'" (The phrase is John Milton's.)

As Hazzard sees it, the trouble began in 1949, four years after the founding of the United Nations, when the first secretary-general, Trygve Lie, "contracted a written secret agreement with the United States Department of State whereby, in violation of basic liberties and of the United Nations Charter, applicants for and incumbents in UN Secretariat positions were 'screened,' without their knowledge, by United States agents."

Ever since this secret deal — which, Hazzard implies, was a capitulation to McCarthyism — the undermining of the organization's internationalist ideals has proceeded apace.

She characterizes its leaders as weak, except for Dag Hammarskjöld, whose ambiguous greatness, she writes, may have worked against the United Nations as much as to its benefit.

The inevitable payoff was the ascent of Kurt Waldheim, a man acceptable to both the United States and the Soviet Union for reasons that Hazzard suspects may have been directly connected to his past under Hitler. (She suggests, for example, that the Russians may have blackmailed Waldheim into bending to their wishes.)

All this is eloquently argued, as eloquently indeed as Hazzard's earlier book, "Defeat of an Ideal: A Study of the Self-Destruction of the United Nations" (1973), which lacked only Waldheim's career to cap its argument.

With icy contempt, she contrasts Hammarskjöld's vision with Waldheim's abject devaluation of his office's authority, typically summed up by his declaration at a news conference reported by The Times of London in 1977: "All I have is moral power. I have nothing behind me."

The day may yet come when the force of a moral ideal prevails upon the nation states to renounce their separate interests for the good of all the world. But the story of civilization so far suggests otherwise, and it seems not only less than horrifying but also a source of faint hope that the United Nations has survived even in its diminished moral circumstances for as long as 45 years.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Wk	Weeks on List
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2	THE BOURNE ULTIMATUM, by Robert Ludlum	2	7
3	OH, THE PLACES YOU'LL GO! by Dr. Seuss	3	10
4	SKINNY LEGS AND ALL, by Tom Robbins	10	2
5	MASQUERADE, by Janet Dailey	4	4
6	THE EVENING NEWS, by Arthur Hailey	5	3
7	CLEAR AND PRESENT DANGER, by Tom Clancy	6	35
8	THE SCIONS OF SHANNARA, by Terry Brooks	8	8
9	DEVICES AND DESIRES, by P.D. James	7	14
10	THE BAD PLACE, by Dean R. Koontz	9	14
11	BRIGHT STAR, by Harold Coyle	12	2
12	BITTER SWEET, by LaVyrle Spencer	11	9
13	TALES FROM MARGARITAVILLE, by Jimmy Buffett	15	27
14	THE GOLD COAST, by Nelson DeMille		1
15	DECEPTION, by Philip Roth	13	3

NONFICTION

1	MEN AT WORK, by George F. Will	2	3
2	MEANS OF ASCENT, by Robert A. Caro	1	6
3	MEGATRENDS 2000, by John Naisbitt and Patricia Aburdene	3	14
4	BARBARIANS AT THE GATE, by Bryan Burrough and John Helyar	4	14
5	LIAR'S POKER, by Michael Lewis	6	25
6	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	5	32
7	KAREEM, by Kareem Abdul-Jabbar with Mignon McCarthy	11	3
8	WHAT I SAW AT THE REVOLUTION, by Peggy Noonan	7	10
9	PARTING WITH ILLUSIONS, by Vladimir Pozner	9	7
10	A BRIEF HISTORY OF TIME, by Stephen W. Hawking	10	106
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12	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	12	78
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14	HEAD FIRST, by Norman Cousins	14	12
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2	WEALTH WITHOUT RISK, by Charles J. Givens	1	63
3	SECRETS ABOUT MEN EVERY WOMAN SHOULD KNOW, by Barbara De Angelis	3	9
4	BEWARE THE NAKED MAN WHO OFFERS YOU HIS SHIRT, by Harvey Mackay	4	10
5	THE WAY THINGS WORK, by David Macaulay	5	35

PEANUTS

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JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PRAAT

YENEM

STIGAR

LUSHIM

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: NEVER "○○○○○○○" A ○○○

Monday's Jumbles: SOUSE FISHY JIGGLE ZITHER
Answer: Guys who regularly roll up their sleeves at work seldom do this—LOSE THEIR SHIRTS

BLONDIE

هكذا من الأصل

هكذا من الأصل

SPORTS

Flair and Fraud in England

In Gascoigne an Artful Joy, at Swindon a Sad Letdown

International Herald Tribune

LONDON — Are beauty and deception inseparable in soccer? They often appear joined like Siamese twins.

My preoccupation with hypnotic Latin flair laced with poison brought a recent invitation from the friends of Maradona to see Naples and die. Clean up your own playground, they insist. But, say I, we Brits are relatively honest plodders, boring in our predictability.

However, strange things grow even in England's country garden. The nation is currently bewitched by Paul Gascoigne, a midfielder who just might blossom into the English Platini. At Wembley last week, Gascoigne orchestrated a 4-1 victory over Czechoslovakia in such style that Italy's national team manager, Azeglio Vicini, commented: "This Gascoigne, he doesn't look like an English player."

No indeed. He is a tease, a matador, an artist, not at all an Englishman. His game fluctuates from brilliance to petulance, but in essence there is an entertainer trying to break out.

ROB HUGHES

□

More of Mr. Gascoigne later. Alas, I can no longer avoid the stigma growing in rural England. Fraud squad detectives arrested Tuesday four men connected to the Second Division team Swindon Town.

This is the club whose former chairman, Brian Hillier, has been banned, and whose former manager, Lou Macari, was fined for betting against their side to lose a cup match two years ago.

No allegation of match fixing was made, but more serious assertions in a newspaper led to the arrest of Hillier and Macari, as well as Colin Calderwood, the current team captain, and Vincent Farrer, the former club accountant. The four face charges of tax fraud, and England's Football Association wanted them to testify about alleged undercover payments to players.

While police questioning is in progress, this is as far as we debate matters. But, what a letdown for Swindon supporters and the team's present manager, Ossie Ardiles. In nine months Ardiles had taken the same players in a new direction. Far from the madding aerial game of Macari, Ardiles put the ball on the ground, put his love of passing and movement into the players and raised the team to the brink of the First Division for the first time.

If there is justice this Argentinian, whose style and personality transcends any difference between our hemispheres, will emerge with a new challenge on a higher plane.

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As the wheel turns, it happens that Gascoigne replaced Ardiles as playmaker at Tottenham.

As an unfinished product, "Gazza" cost the Spurs close to a British record fee, $3.3 million, two years ago. He was, and to some extent remains, an incorrigible overgrown schoolboy. But he does things men seldom have the wonder to attempt. He can be good, bad and downright silly. But only one other Englishman of the past decade, Glenn Hoddle, could begin an international match as he did last Wednesday.

For the first goal, Gascoigne floated a pass, with the outside of his right boot, from the center circle to the edge of Czechoslovakia's penalty box. He curled it, and timed it to land plumb onto the chest of striker Steve Bull.

For goal number two, Gascoigne struck a simple but pinpoint corner kick to Stuart Pearce at the far post.

Goal three was Gascoigne on the wing. One Czech defender nudged him in the back, another dug his ribs with an elbow. Gascoigne had the strength and balance to brush off such fouls as if swatting flies. He lengthened his stride, outpaced the defenders and curled the ball back from the goal-line for Bull to head it in.

Gascoigne, previously accused of being unfit and irresponsible, hadn't finished. He was here, there, everywhere, commanding the stage, demanding the ball, showing off like a peacock. Finally, just as England's manager thought to replace him because he suspected Gascoigne had run himself into a cramp, the young maestro crowned his performance.

Spectators could see him quicken. We could sense his anticipation as he burst through, called for the ball and, with his left foot, catapulted it into the net.

□

After the performance, the inquest. Gascoigne had previously been kept on the fringe of England's workmanlike team. For a year some of us had angered the manager, Bobby Robson, by daring him to put the prodigy in. "He wasn't ready a year ago," insists Robson, meaning Robson wasn't ready to trust him.

But here's the rub. A manager never can win. After last week, Robson spoke of Gascoigne becoming as indispensable to England as Diego Maradona is to Argentina. And that is praise beyond reason. Gascoigne, almost 23 but a child for all that, still has to prove he can cope with the villainy of international soccer.

In English league games he has been shown the yellow card 10 times this season, sometimes for physical retaliation that included breaking his own arm on the chin of an opponent, mostly for dissent. Yet this is a league where referees have grown accustomed to Gascoigne's habit of ruffling their hair. Most referees have come to see him as an impetuous prodigy so engrossed with the play he loses perspective.

He has the touch and vision without which England cannot win a World Cup, yet the match against Czechoslovakia was only his second full international, and the first in which Gascoigne had been given sturdy supporting players and the freedom to paint his own canvass.

England has just two more warmup games, against Denmark and Uruguay, to see if he can repeat such virtuosity. So Gascoigne would still be a tantalizing gamble in World Cup heat. Could he transform England? Or would he get sent off?

Robson has piled up 16 unbeaten games but, leaving experimentation until the last, exposed his unworldly caution. Take Uruguay's example. Last week, drawing 3-3 in West Germany, Uruguay seemed to score at will and give clownish goals away.

"Confused?" one Uruguayan player asked in private afterward. "Think of it this way, had we had won, 3-0, in Germany everybody would rate us for the World Cup. Now nobody's suspects what we can do."

Wily these Latins, and still more deceptive than Brits.

Rob Hughes is on the staff of the Sunday Times

Mark Duncan/The Associated Press

Mitch Webster jumped Toronto pitcher Todd Stottlemyre after being drilled in Cleveland. He was the sixth batter hit in five games between the teams. More players joined the fray; Webster was ejected.

Phillies Win, 4-2, As 2d Starter for Reds Is Injured

Compiled by Our Staff From Dispatches

CINCINNATI — Von Hayes and John Kruk ended a 2-2 tie Tuesday with seventh-inning home runs as the Philadelphia Phillies beat the Cincinnati Reds, 4-2.

The starting pitcher for the Reds was hurt for the second time in three days when Rick Mahler pulled a thigh muscle running out a third-inning grounder. Danny Jackson was lost for two weeks when his forearm was bruised by a ground ball on Sunday.

BASEBALL ROUNDUP

Tim Birtsas replaced Mahler and allowed three of the Phillies' four runs, including the homers by Hayes and Kruk.

Carmelo Martinez singled in a run off Mahler in the first inning and did so again in the fifth off Birtsas to make it 2-0.

Chris Sabo drove home the Reds' first run with a two-out single in the fifth. They tied in the sixth on two-out doubles by Mariano Duncan and Paul O'Neill.

But with one out in the seventh, Hayes hit his third homer of the year. One out later, Kruk hit his second, into the second deck in right field.

In games played Monday:

Orioles 2, Angels 1: Brady Anderson drove in the winning run with a pinch-hit single off reliever Mike Witt in the bottom of the 12th inning in Baltimore. Anderson, in a bunt situation, slapped a one-hopper that went off the glove of first baseman Wally Joyner and into right field and scored Joe Orsulak from second base.

In the eighth, Baltimore center fielder Steve Finley saved three runs with a leaping catch that took a home run away from Lance Parrish.

Athletics 6, Yankees 0: In New York, Bob Welch scattered six hits and Rickey Henderson, traded by the Yankees last June, hit two homes for Oakland. Welch lowered his earned run average to 1.06 and struck out four for his first shutout. Mark McGwire and Jose Canseco also homered for Oakland.

Brewers 6, Tigers 1: In Detroit, Mark Knudson fell one out shy of his first major league shutout when Cecil Fielder hit his seventh homer. Knudson's victory made Milwaukee's starters 9-0 with a 2.07 ERA.

The Tigers committed three errors, two by third baseman Tony Phillips.

Blue Jays 10, Indians 4: In Cleveland, Glenallen Hill, Junior Felix, George Bell and Tony Fernandez homered for Toronto. Bell also doubled in a four-run first inning as the Blue Jays handed the Indians their first loss in eight home games.

Red Sox 11, Mariners 0: Tony Pena hit a three-run home run and Mike Boddicker combined with two relievers on a six-hitter in a rain-delayed game in Boston. Pena had three hits, raising his average to .403; Wade Boggs reached base five times and drove in two runs.

White Sox 5, Rangers 4: In Chicago, Lance Johnson singled in the winning run off Jamie Moyer with one out in the 13th inning. Sammy Sosa reached second on a throwing error by second baseman Julio Franco, who hurried a throw that sailed into the dugout. Johnson singled to right field and Sosa beat Ruben Sierra's throw to the plate.

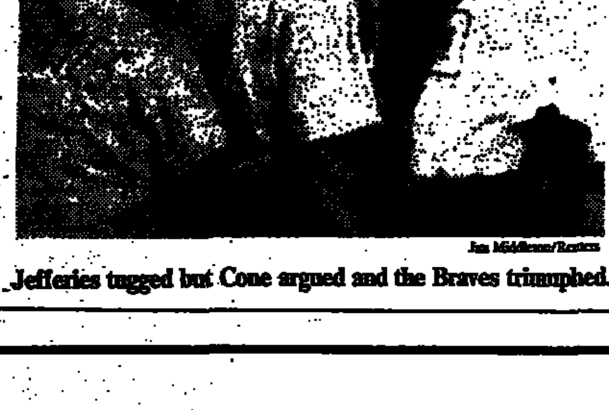
Astros 4, Expos 2: In a National League game in Montreal, Glenn Davis tied the score with his second home run of the game and Rafael Ramirez put his team ahead with a two-run single as Houston rallied for three runs in the eighth inning.

Dennis Martinez took a six-hitter and a 2-1 lead into the eighth, but he allowed Davis's 150th homer in the majors with two out.

Reds 6, Phillies 2: Paul O'Neill singled in two runs to cap a three-run first inning in Cincinnati and teammate Jeff Reed homered.

Giants 8, Dodgers 4: John Burkett earned his first major league victory, allowing two runs in seven innings in Los Angeles. He gave up seven hits, struck out three and walked one.

Will Clark homered to start a four-run fourth inning off John Wetteland. Kevin Mitchell hit his fourth home run in the eighth and Matt Williams drove in three runs for the Giants. *(AP, UPI)*



Jim Middleton/Reuters

Jefferies tagged but Cone argued and the Braves triumphed.

While a Met Burns, the Braves Play On

By Jack Curry

New York Times Service

ATLANTA — It may not get any more bizarre than this on a baseball diamond. David Cone, the New York Mets' pitcher, chose to argue a close play with the first-base umpire, Charlie Williams, instead of paying attention to two runners the Atlanta Braves had on base.

While the animated discussion ensued and teammates screamed at Cone, Dale Murphy and Ernie Whitt scored. The Braves won, 7-4, taking two in a row for the first time this season.

The official scorer ruled the unearned runs crossed the plate on "player indifference." Player ignorance might be a more apt description.

"I'm a human being and I'm an emotional person," Cone said. "I snapped emotionally and I have to live with it. It's an embarrassing moment that might have cost us a ballgame. For two minutes, I snapped. I was in my own little world."

"I've seen some strange things in my lifetime," said Davey Johnson, the Mets' manager, "but that was at the top of the list."

In the fourth with two out and the Braves leading, 2-1, Cone was facing Mark Lemke with Murphy on second and Whitt on first. Lemke topped a ball between first and second that Gregg Jefferies fielded. He threw to Cone, who appeared off balance as he raced toward first. Cone tried to brush the bag with his foot as he went by, but the umpire called Lemke safe.

Cone was livid. He ignored the runners on base and confronted Williams near foul territory. While Cone argued, Murphy, peering at the unbelievable as it unfolded, rounded third and came in to score.

Mackey Sasser, the catcher, and Jefferies were screaming for Cone to throw the ball in. Cone continued to exchange words with Williams. Whitt followed Murphy home before Cone bothered to turn around.

"I felt like it took seven or eight hours for him to turn around," Jefferies said.

Williams " said, 'While you're arguing with me, another run just scored,' " Cone recalled. "He continued to argue with me while another run scored. That's why I thought there was a timeout."

SCOREBOARD

BASEBALL

Major League Standings

Through Monday's Games

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Milwaukee	12	6	.667	—
Boston	11	8	.579	1½
Toronto	12	9	.571	1½
Cleveland	9	9	.500	3
Baltimore	9	11	.450	4
New York	7	10	.412	4½
Detroit	8	12	.400	5

West Division

	W	L	Pct.	GB
Oakland	14	5	.737	—
Chicago	10	6	.625	2½
Texas	11	9	.550	3½
California	8	11	.421	6
Seattle	8	12	.400	6½
Minnesota	7	12	.368	7
Kansas City	6	12	.333	7½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	14	6	.700	—
Montreal	10	9	.526	3½
Philadelphia	10	9	.526	3½
New York	9	10	.474	4½
St. Louis	9	11	.450	5
Chicago	8	11	.421	5½

West Division

	W	L	Pct.	GB
Cincinnati	13	3	.813	—
Los Angeles	11	10	.524	4½
Houston	9	10	.474	5½
San Diego	9	10	.474	5½
San Francisco	8	12	.400	7
Atlanta	4	13	.235	9½

Sunday's Line Scores

AMERICAN LEAGUE

Oakland 100 000 000—1 6 0
Boston 000 000 000—0 6 0
Stewart, Eckersley (8) and Steinbach; Clemens, Smith (8) and Gedman, Pena (7). W—Stewart, 5-0. L—Clemens, 4-1. Sv—Eckersley (7).

California 001 000 300—4 12 0
New York 010 000 011—3 8 1
Langston, Eichhorn (7), Harvey (9) and Orton, Parrish (7); LaPoint, Mills (3), McCullers (6), Plunk (9) and Cerone. W—Langston, 2-1. L—LaPoint, 1-2. Sv—Harvey (2).

Minnesota 100 102 100—5 8 3
Cleveland 120 020 10x—6 9 2
R.Smith, Candelaria (6), Leach (8) and Harper, Ortiz (8); Swindell, Olin (6), D.Jones (8) and Alomar. W—Swindell, 2-2. L—R.Smith, 0-3. Sv—D.Jones (6).

Milwaukee 002 010 030—6 9 1
Detroit 000 001 000—1 7 0
Bosio, Wegman (7), Plesac (9) and Surhoff; Petry, Gibson (7), Nunez (7) and Nokes. W—Bosio, 3-0. L—Petry, 1-1. HRs—Milwaukee, Molitor (1), Braggs (1).

Seattle 000 100 300—4 9 1
Baltimore 000 010 301—5 10 0
Eave, Swift (6), Comstock (7), Jackson (7) and Valle; Johnson, Price (7), Williamson (7) and Tettleton, Melvin (9). W—Williamson, 1-0. L—Jackson, 1-1. HRs—Seattle, Griffey (5), Martinez (2). Baltimore, Gonzales (1).

Toronto 020 100 000—3 8 0
Chicago 042 000 22x—10 15 0
Key, Blair (4), Wells (6), Ward (7), Kilgus (8) and Myers, Borders (8); King, Edwards (6) and Karkovice. W—King, 1-0. L—Key, 2-1. Sv—Edwards (1). HRs—Chicago, Martinez (2), Sosa (2).

Texas 000 020 000—2 6 1
Kansas City 002 200 10x—5 7 1
Rogers, Witt (4) and Petralli; Dotson, Appier (5), McWilliams (5), Montgomery (7), M.Davis (9) and Boone. W—Montgomery, 1-1. L—Rogers, 1-1. Sv—M.Davis (4).

NATIONAL LEAGUE

Philadelphia 100 000 000—1 6 0
Atlanta 000 102 00x—3 4 0
Combs, Carman (7) and Daulton; P.Smith and Olson. W—P.Smith. L—Combs, 1-2. HR—Presley (1).

Montreal 000 022 200—6 11 0
Cincinnati 200 000 021—3 8 0
P.K.Gross, Burke (8) and Fitzgerald; Jackson, Robinson (1), Layana (6), Ki.Gross (7), Birtsas (9) and Oliver. W—K.Gross, 2-1. L—Robinson, 0-1. Sv—Burke (6). HRs—Montreal, Wallach (2), Fitzgerald (1).

New York 000 001 000 0—1 5 2
Houston 010 000 000 1—2 9 0
(10 innings)
Gooden, Machado (9) and Lyons, Sasser (9); Scott, Andersen (8), Darwin (9) and Biggio. W—Darwin, 1-0. L—Machado, 2-1.

St. Louis 001 200 031—7 12 1
San Francisco 015 000 03x—9 15 1
Magrane, Tewksbury (3), Horton (5), Niedenfuer (7), DiPino (8) and Zeile; Reuschel, Bedrosian (8) and Carter, Kennedy (8). W—Reuschel, 2-1. L—Magrane, 0-4. Sv—Bedrosian (3).

Pittsburgh 001 304 002—10 8 0
San Diego 010 000 000—1 5 0
Drabek, Patterson (7), Ruskin (9) and Slaught; Rasmussen, Grant (6), Schiraldi (8) and Parent. W—Drabek, 4-1. L—Rasmussen, 1-1. HRs—Pittsburgh, Bonds (4), Slaught (2), Bell (1), Bonilla (7).

Chicago 000 103 000—4 12 0
Los Angeles 000 000 000—0 6 2
Maddux and Girardi; Morgan, Crews (7), Aase (9) and Scioscia. W—Maddux, 3-1. L—Morgan, 3-1. HR—Chicago, Dawson (4).

Monday's Line Scores

AMERICAN LEAGUE

Oakland 021 100 101—6 11 0
New York 000 000 000—0 6 1
Welch and Hassey; Parker, Robinson (7), Guetterman (7), Plunk (9) and Geren. W—Welch, 3-1. L—Parker, 0-1. HRs—Oakland, McGwire (7), Canseco (5), R.Henderson 2 (3).

Toronto 410 113 000—10 17 0
Cleveland 100 200 010—4 7 0
Stottlemyre, Acker (6), Wills (8), Henke (9) and Borders; Bearse, Shaw (1), Wickander (7) and Alomar. W—Stottlemyre, 3-2. L—Bearse, 0-2. HRs—Toronto, Felix (3), Hill (2), Fernandez (1), Bell (4).

Milwaukee 110 101 002—6 9 0
Detroit 000 000 001—1 8 3
Knudson, Crim (9) and Surhoff; J.Robinson, Gleaton (9) and Nokes. W—Knudson, 2-0. L—J.Robinson, 1-2. HRs—Milwaukee, Yount (2), Brock (1). Detroit, Fielder (7).

Seattle 000 000 000—0 6 0
Boston 130 200 14x—11 12 0
Holman, Knackert (4), Comstock (7) and Valle, Bradley (8); Boddicker, Murphy (8), Reardon (9) and Pena. W—Boddicker, 2-3. L—Holman, 3-2. HR—Boston, Pena (2).

California 001 000 000 000—1 7 0
Baltimore 000 000 100 001—2 8 0
(12 innings)
McCaskill, Witt (9) and Parrish; Milacki, Olson (9), Holton (12) and Melvin. W—Holton, 1-0. L—Witt, 0-3.

Texas 012 000 010 000 0—4 9 1
Chicago 040 000 000 000 1—5 13 1
(13 innings)
Bohanon, Mielke (6), Jeffcoat (7), Russell (10), Moyer (13) and Petralli; McDowell, Patterson (3), Pall (5), B.Jones (8), Thigpen (11) and Fisk. W—Thigpen, 1-1. L—Moyer, 0-3. HR—Texas, Baines (4).

NATIONAL LEAGUE

New York 001 001 020—4 7 1
Atlanta 002 221 00x—7 8 1
Cone, Whitehurst (6), Musselman (6), Pena (8) and Sasser; Smoltz, Henry (8), Boever (9) and Whitt, Olson (9). W—Smoltz, 1-2. L—Cone, 0-2. Sv—Boever (1). HRs—New York, Johnson (4). Atlanta, McDowell (2), Treadway (1).

Philadelphia 100 000 010—2 5 2
Cincinnati 300 000 12x—6 7 1
K.Howell, Carman (7), Akerfelds (7), McElroy (8), Parrett (8) and Daulton; Rijo, Charlton (8), Dibble (8) and J.Reed. W—Rijo, 1-1. L—K.Howell, 2-2. Sv—Dibble (3). HR—Cincinnati, J.Reed (1).

Houston 000 100 030—4 11 2
Montreal 001 100 000—2 7 0
Deshaies, Andersen (6), Schatzeder (8), D.Smith (9) and Biggio; D.Martinez, Frey (9), Sampen (9) and Fitzgerald. W—Andersen, 2-0. L—D.Martinez, 2-1. Sv—D.Smith (7). HRs—Houston, G.Davis 2 (6).

San Francisco 000 400 022—8 13 0
Los Angeles 020 000 002—4 11 1
Burkett, Brantley (8) and Kennedy; Wetteland, Munoz (4), Hartley (5), Crews (8), Searage (8), Aase (9) and Scioscia. W—Burkett, 1-0. L—Wetteland, 1-2. HRs—San Francisco, Clark (2), Mitchell (4).

Major League Leaders

AMERICAN LEAGUE

BATTING (34 at bats): Heath, Detroit, .444; Pena, Boston, .403; Griffey, Seattle, .388; Stillwell, Kansas City, .386; Webster, Cleveland, .375.

RUNS: R.Henderson, Oakland, 16; Canseco, Oakland, 15; Boggs, Boston, 14; Franco, Texas, 14; Palmeiro, Texas, 14; Reynolds, Seattle, 14.

RBI: Gruber, Toronto, 20; Fielder, Detroit, 19; McGwire, Oakland, 18; Felix, Toronto, 17; Griffey, Seattle, 17.

HITS: Griffey, Seattle, 31; Pena, Boston, 29; Fernandez, Toronto, 27; Gruber, Toronto, 27; Trammell, Detroit, 26.

DOUBLES: D.Parker, Milwaukee, 7; Felix, Toronto, 7; Gladden, Minnesota, 7; R.Henderson, Oakland, 7; Stillwell, Kansas City, 7; Trammell, Detroit, 7.

TRIPLES: 10 tied with 2.

HOME RUNS: Fielder, Detroit, 7; Gruber, Toronto, 7; McGwire, Oakland, 7; Bell, Toronto, 6; Canseco, Oakland, 5; Griffey, Seattle, 5.

STOLEN BASES: R.Henderson, Oakland, 11; W.Wilson, Kansas City, 7; Canseco, Oakland, 6; Calderon, Chicago, 5; Guillen, Chicago, 5.

PITCHING (3 decisions): Bosio, Milwaukee, 3-0, 1.000, 1.39; Candiotti, Cleveland, 3-0, 1.000, 4.91; K.Brown, Texas, 4-0, 1.000, 3.58; Ryan, Texas, 4-0, 1.000, 2.25; Stewart, Oakland, 5-0, 1.000, 1.32.

STRIKEOUTS: Clemens, Boston, 34; Ryan, Texas, 33; Gordon, Kansas City, 25; Hanson, Seattle, 25; Holman, Seattle, 23; Morris, Detroit, 23.

SAVES: Eckersley, Oakland, 7; D.Jones, Cleveland, 6; Henneman, Detroit, 5; Righetti, New York, 5; Schooler, Seattle, 5; Thigpen, Chicago, 5.

NATIONAL LEAGUE

BATTING (34 at bats): Kennedy, San Francisco, .410; Duncan, Cincinnati, .408; Santiago, San Diego, .397; Sabo, Cincinnati, .391; Larkin, Cincinnati, .385.

RUNS: Bonilla, Pittsburgh, 17; Butler, San Francisco, 16; Sabo, Cincinnati, 16; McGee, St. Louis, 15; 4 tied with 14.

RBI: Bonilla, Pittsburgh, 21; Guerrero, St. Louis, 20; J.Carter, San Diego, 17; W.Clark, San Francisco, 17; Dawson, Chicago, 15; Ma.Williams, San Francisco, 15.

HITS: Butler, San Francisco, 30; McGee, St. Louis, 30; W.Clark, San Francisco, 26; Larkin, Cincinnati, 25; Sabo, Cincinnati, 25; Santiago, San Diego, 25.

DOUBLES: Grissom, Montreal, 8; McGee, St. Louis, 8; DeShields, Montreal, 7; Owen, Montreal, 7; 5 tied with 6.

TRIPLES: B.Hatcher, Cincinnati, 2; Owen, Montreal, 2; Redus, Pittsburgh, 2; Uribe, San Francisco, 2.

HOME RUNS: Bonilla, Pittsburgh, 7; G.Davis, Houston, 6; Guerrero, St. Louis, 5; Sabo, Cincinnati, 5; 9 tied with 4.

STOLEN BASES: Coleman, St. Louis, 13; Samuel, Los Angeles, 11; Raines, Montreal, 8; Grissom, Montreal, 7; Yelding, Houston, 7.

PITCHING (3 decisions): Armstrong, Cincinnati, 4-0, 1.000, 1.40; Cook, Philadelphia, 3-0, 1.000, 5.46; Heaton, Pittsburgh, 4-0, 1.000, 2.57; Tudor, St. Louis, 4-0, 1.000, 0.96; Viola, New York, 4-0, 1.000, 1.32.

STRIKEOUTS: Gooden, New York, 32; Cone, New York, 29; Viola, New York, 29; P.Smith, Atlanta, 28; R.Martinez, Los Angeles, 28.

SAVES: Da.Smith, Houston, 7; Burke, Montreal, 6; Franco, New York, 6; R.McDowell, Philadelphia, 6; Mi.Williams, Chicago, 5.

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	14	5	0	.737	—
Taiyo	11	6	1	.639	2
Hanshin	10	9	0	.526	4
Yakult	7	10	0	.412	6
Chunichi	6	11	1	.341	7
Hiroshima	6	13	0	.316	8

Pacific League

	W	L	T	Pct.	GB
Seibu	11	4	0	.733	—
Lotte	7	5	0	.583	2½
Nippon Ham	9	7	0	.563	2½
Orix	8	8	1	.500	3½
Kintetsu	7	10	0	.412	5
Daiei	4	12	1	.265	7½

MONDAY'S RESULTS
Yakult 2, Yomiuri 1
Chunichi 8, Hiroshima 0
Hanshin 11, Taiyo 4
Seibu 16, Lotte 3
Kintetsu 2, Orix 0
Nippon Ham 5, Daiei 1

TUESDAY'S RESULTS
Taiyo 1, Hiroshima 0, 11 innings
Hanshin 5, Yakult 3
Daiei 3, Seibu 2, 10 innings
Orix 2, Nippon Ham 1, 10 innings
Kintetsu 6, Lotte 1

HOCKEY

NHL Playoffs

DIVISION FINALS
(Series are the best of seven games)

Smythe Division
Edmonton beat Los Angeles, 4-0

Patrick Division
Washington beat N.Y. Rangers, 4-1

Adams Division
Boston beat Montreal, 4-1

MONDAY'S RESULT
Norris Division

St. Louis 0 1 1—2
Chicago 2 3 3—8

First period—1, Chicago, Roenick 8 (D.Wilson, Presley), 2:47. 2, Chicago, Roenick 9 (Gouleт, D.Wilson), 13:03. Second period—3, Chicago, Larmer 4 (Graham, K.Brown), 3:03 (sh). 4, Chicago, Savard 4 (Larmer, Gilbert), 7:28. 5, Chicago, Manson 2 (Yawney, Larmer), 10:22 (pp). 6, St. Louis, MacLean 4 (J.Brown), 12:06 (pp). Third period—7, Chicago, Gilbert 5 (Konroyd, Larmer), :35. 8, Chicago, Creighton 2 (Larmer, K.Brown), 3:45 (sh). 9, St. Louis, Oates 2 (Hull), 17:19. 10, Chicago, D.Sutter 1, 19:49.

Shots on goal—St. Louis (on Belfour) 5-8-15—28. Chicago (on Riendeau, Joseph) 12-10-7—29.

Chicago wins series, 4-3

CONFERENCE FINALS
Wales Conference
Thursday: Washington at Boston
Saturday: Washington at Boston
Monday: Boston at Washington
Wednesday, May 9: Boston at Washington
Friday, May 11: Washington at Boston, if necessary
Sunday, May 13: Boston at Washington, if necessary
Tuesday, May 15: Washington at Boston, if necessary

Campbell Conference
Wednesday: Chicago at Edmonton
Friday: Chicago at Edmonton
Sunday: Edmonton at Chicago
Tuesday, May 8: Edmonton at Chicago
Thursday, May 10: Chicago at Edmonton, if necessary
Saturday, May 12: Edmonton at Chicago, if necessary
Monday, May 14: Chicago at Edmonton, if necessary

STANLEY CUP FINAL
Game 1 — Friday, May 18
Game 2 — Sunday, May 20
Game 3 — Tuesday, May 22
Game 4 — Thursday, May 24
Game 5 — Saturday, May 26, if necessary
Game 6 — Monday, May 28, if necessary
Game 7 — Thursday, May 31, if necessary

World Championship

STANDINGS (Through Monday)

Medal Group

	W	L	T	Pts	GF	GA
Soviet Union	2	0	0	4	10	1
Czechoslovakia	1	0	1	3	8	7
Sweden	0	1	1	1	5	8
Canada	0	2	0	0	3	10

Relegation Group

	W	L	T	Pts	GF	GA
United States	6	4	0	12	35	43
Finland	2	6	2	6	29	32
Norway	1	7	1	3	21	57
West Germany	0	8	1	1	15	42

FINAL ROUND
MONDAY'S RESULTS
Sweden 5, Czechoslovakia 5
Soviet Union 7, Canada 1

TUESDAY'S RESULTS
United States 3, Finland 2

CRICKET

6-Nation Austral-Asia Cup
in Sharjah, United Arab Emirates
Monday: Pakistan vs. New Zealand
Pakistan 77-2 (15.2 overs)
New Zealand 74-10 (21.1 overs)
Tuesday: Australia vs. Bangladesh
Australia 140-3 (25.4 overs)
Bangladesh 134-8 (50 overs)

BASKETBALL

NBA Playoffs

(First round: Best of five games)
EASTERN CONFERENCE
Detroit leads Indiana, 2-0
Boston leads New York, 2-0
Philadelphia leads Cleveland, 2-0
Chicago leads Milwaukee, 2-0
WESTERN CONFERENCE
L.A. Lakers lead Houston, 2-0
Phoenix and Utah tied, 1-1
San Antonio leads Denver, 2-0
Portland leads Dallas, 2-0

SUNDAY'S RESULTS

Milwaukee 18 34 22 27—102
Chicago 33 18 28 30—109

MILWAUKEE: Roberts 2-3 0-0 4, Lohaus 6-8 0-0 15, Sikma 1-7 3-4 5, Robertson 6-14 2-4 14, Humphries 1-2 0-0 2, Anderson 6-7 2-4 14, Pierce 8-16 5-5 23, Pressey 9-15 7-8 25, Grayer 0-0 0-0 0. Totals 39-72 19-25 102.

CHICAGO: Pippen 12-18 7-11 32, Grant 7-11 1-2 15, Cartwright 5-10 4-8 14, Paxson 2-5 0-0 4, Jordan 12-21 12-14 36, King 1-5 0-0 2, Hodges 2-4 0-0 5, Davis 0-1 0-0 0, Nealy 0-0 1-2 1, Armstrong 0-0 0-0 0. Totals 41-75 25-37 109.

3-Point goals—Milwaukee 5-10 (Lohaus 3-4, Pierce 2-2, Roberts 0-1, Sikma 0-1, Robertson 0-1, Pressey 0-1), Chicago 2-2 (Pippen 1-1, Hodges 1-1). Fouled out—Anderson. Rebounds—Milwaukee 45 (Anderson 10), Chicago 40 (Jordan 9). Assists—Milwaukee 30 (Pressey 12), Chicago 25 (Jordan 11). Total fouls—Milwaukee 31, Chicago 22.

Houston 32 32 17 18—100
LA Lakers 30 18 27 29—104

HOUSTON: (100) B.Johnson 5-15 6-6 16, Thorpe 6-10 2-4 14, Olajuwon 4-15 3-3 11, Floyd 10-19 7-7 27, Maxwell 11-25 1-3 24, Smith 2-2 0-0 4, McCormick 0-0 0-0 0, Wiggins 2-5 0-0 4. Totals 40-91 19-23 100.

L.A. LAKERS: Green 3-7 4-4 10, Worthy 12-20 7-8 32, Thompson 2-7 0-3 4, E.Johnson 7-16 2-3 17, Scott 6-11 2-2 17, Divac 3-4 6-6 12, Cooper 1-5 0-0 2, Woolridge 3-7 4-4 10. Totals 37-77 25-30 104.

3-Point goals—Houston 1-10 (Maxwell 1-6, B.Johnson 0-1, Floyd 0-3), Los Angeles 5-10 (Scott 3-4, Worthy 1-3, E.Johnson 1-3). Fouled out—None. Rebounds—Houston 53 (Olajuwon 11), Los Angeles 47 (Green, Thompson 6). Assists—Houston 20 (Floyd 8), Los Angeles 19 (E.Johnson 14). Total fouls—Houston 23, Los Angeles 19. Technicals—Houston illegal defense, Los Angeles illegal defense.

Cleveland 26 33 19 23—101
Philadelphia 32 24 26 25—107

CLEVELAND: Bennett 10-13 2-2 22, Nance 2-6 1-2 5, Daugherty 7-13 7-8 21, Ehlo 3-12 2-2 8, Price 9-15 7-7 27, Williams 7-14 4-6 18, Kerr 0-6 0-0 0, Mokeski 0-0 0-0 0. Totals 38-79 23-27 101.

PHILADELPHIA: Barkley 13-19 5-11 32, Mahorn 3-6 2-3 8, Gminski 8-13 2-2 18, Dawkins 8-14 2-2 18, Hawkins 8-18 5-5 21, Anderson 4-9 2-2 10, Brooks 0-2 0-0 0, Thornton 0-0 0-0 0. Totals 44-81 18-25 107.

3-Point goals—Cleveland 2-11 (Price 2-5, Kerr 0-2, Ehlo 0-4), Philadelphia 1-3 (Barkley 1-1, Dawkins 0-1, Hawkins 0-1). Fouled out—None. Rebounds—Cleveland 49 (Daugherty 13), Philadelphia 40 (Mahorn 9). Assists—Cleveland 34 (Ehlo 8), Philadelphia 25 (Dawkins 11). Total fouls—Cleveland 22, Philadelphia 20. Technical—Cleveland illegal defense.

Phoenix 33 24 25 23—105
Utah 21 22 21 23—87

PHOENIX: Chambers 2-12 8-8 12, Rambis 1-4 1-2 3, West 7-10 0-0 14, K.Johnson 7-14 8-9 22, Hornacek 7-12 2-2 16, Majerle 5-11 4-4 14, Ed.Johnson 7-11 0-0 16, Battle 1-1 0-0 2, Grant 0-0 0-0 0, Lang 0-0 2-2 2, McGee 2-4 0-0 4, Perry 0-0 0-0 0. Totals 39-79 25-27 105.

UTAH: Malone 7-21 6-7 20, Bailey 5-14 5-6 15, Eaton 1-6 0-0 2, Stockton 5-12 2-4 12, Hansen 5-9 0-0 11, Rudd 2-5 1-2 6, Edwards 1-4 1-1 3, M.Brown 2-3 0-0 4, Griffith 3-8 0-1 7, Leckner 3-7 1-2 7, R.Brown 0-0 0-0 0, Er.Johnson 0-0 0-0 0. Totals 34-89 16-25 87.

3-Point goals—Phoenix 2-8 (Ed.Johnson 2-3, K.Johnson 0-1, Hornacek 0-1, Majerle 0-3), Utah 3-10 (Hansen 1-2, Rudd 1-2, Griffith 1-2, Edwards 0-1, Stockton 0-3). Fouled out—Malone. Rebounds—Phoenix 58 (West 21), Utah 48 (Malone 10). Assists—Phoenix 21 (K.Johnson 7), Utah 19 (Stockton 8). Total fouls—Phoenix 26, Utah 27. Technicals—Phoenix illegal defense, Hornacek.

SOCCER

ENGLISH FIRST DIVISION
Manchester United 0, Wimbledon 0

TRANSACTIONS

BASEBALL
American League

BOSTON—Put John Dopson, pitcher, and Billy Jo Robidoux, first baseman, on 15-day disabled list. Activated Wes Gardner, pitcher, from 15-day disabled list. Bought contract of John Trautwein, pitcher, from Pawtucket, International League.

CALIFORNIA—Traded Claudell Washington, outfielder, and Rich Monteleone, pitcher, to N.Y. Yankees for Luis Polonia, outfielder.

CLEVELAND—Called up Jeff Shaw, pitcher, from Colorado Springs, Pacific Coast League. Optioned Al Nipper and Rod Nichols, pitchers, to Colorado Springs.

KANSAS CITY—Put Frank White, second baseman, on 15-day disabled list. Recalled Terry Shumpert, second baseman, from Omaha of American Association.

DETROIT—Optioned Kevin Ritz, pitcher, to Toledo, International League.

MILWAUKEE—Activated Paul Molitor, infielder, from 21-day disabled list. Put Terry Francona, outfielder, on irrevocable waivers.

MILWAUKEE—Put Tom Filer, pitcher, on 15-day disabled list, retroactive to April 26. Transferred Mark Birkbeck, pitcher, from 15-day to 21-day disabled list.

BALTIMORE—Sent Ben McDonald, pitcher, to Rochester, International League, for rehabilitation assignment. Sent Jay Aldrich and John Mitchell, pitchers, outright, to Rochester.

BOSTON—Sent Daryl Irvine, pitcher, and John Marzano, catcher, to Pawtucket, International League.

CALIFORNIA—Optioned Willie Fraser, pitcher, to Edmonton, Pacific Coast League.

CHICAGO—Traded Bill Long, pitcher, to Chicago Cubs for Frank Campos, pitcher. Put Dave Gallagher, outfielder, on 15-day disabled list. Bought contract of Rodney McCray, outfielder, from Birmingham, Southern League. Released Greg Walker, first baseman.

CLEVELAND—Claimed Sergio Valdez, pitcher, off waivers, from Atlanta. Sent Kevin Bearse, pitcher, to Colorado Springs, Pacific Coast League.

MINNESOTA—Released Rich Yett, pitcher.

N.Y. YANKEES—Put Pascual Perez, pitcher, on 15-day disabled list, retroactive to April 26. Sent Chuck Cary, pitcher, to Tampa for rehabilitation assignment. Optioned Deion Sanders, outfielder, to Columbus, International League.

OAKLAND—Sent Mike Bordick, infielder, and Dave Otto, pitcher, to Tacoma, Pacific Coast League.

TEXAS—Returned Ramon Manon, pitcher, to N.Y. Yankees.

TORONTO—Sent Ozzie Virgil, catcher, and Paul Kilgus, pitcher, to Syracuse, International League.

National League

ATLANTA—Put Mike Stanton, pitcher, on 15-day disabled list.

HOUSTON—Traded Charley Kerfeld, pitcher, to Atlanta for Kevin Dean, outfielder, and player to be named later.

LOS ANGELES—Put Orel Hershiser, pitcher, on 60-day disabled list.

ST. LOUIS—Optioned Ken Hill, pitcher, to Louisville, American Association.

PITTSBURGH—Sent Tom Prince, catcher, and Mike Roesler, pitcher, to Buffalo, American Association.

ST. LOUIS—Optioned Ken Hill, pitcher, to Louisville, American Association.

SAN DIEGO—Sent Rob Nelson, first baseman, and Rafael Valdez, pitcher, to Las Vegas, Pacific Coast League.

SAN FRANCISCO—Dan Quisenberry, pitcher, retired.

ATLANTA—Waived Sergio Valdez, pitcher. Claimed Joe Hesketh, pitcher, off waivers from Montreal. Sent Rick Luecken, pitcher, to Richmond, International League.

CHICAGO—Optioned Greg Smith, infielder, and Dean Wilkins, pitcher, to Iowa, American Association.

CINCINNATI—Put Danny Jackson, pitcher, on 15-day disabled list.

HOUSTON—Activated Eric Anthony, outfielder, from 15-day disabled list. Put Mark Davidson, outfielder, on 15-day disabled list. Optioned Dave Rohde, infielder, to Tucson, Pacific Coast League.

LOS ANGELES—Optioned Jose Vizcaino, infielder, to Albuquerque, Pacific Coast League.

MONTREAL—Put John Costello, pitcher, on 15-day disabled list retroactive to April 25.

N.Y. METS—Put Keith Miller, outfielder, on 15-day disabled list retroactive to April 25. Bought contract of Darren Reed, outfielder, from Tidewater, International League. Claimed Daryl Boston, outfielder, off waivers from Chicago White Sox. Sent Julio Machado, pitcher, and Lou Thornton, outfielder, to Tidewater, and Chuck Carr, outfielder, to Jackson, Texas League.

PHILADELPHIA—Waived Todd Frohwirth, pitcher. Optioned Brad Moore, pitcher, to Scranton Wilkes-Barre, International League.

PITTSBURGH—Named Jim Mallon manager of Welland, New York-Penn League.

ST. LOUIS—Put Terry Pendleton, third baseman, on 15-day disabled list.

SAN FRANCISCO—Sent Mike Laga, infielder, outright to Phoenix, Pacific Coast League.

FOOTBALL
National Football League

DENVER—Agreed to terms with Karl Brown, defensive back.

L.A. RAIDERS—Named Mike White assistant coach for special projects.

MIAMI—Signed Darryl Davis, linebacker; Dave Pacitti, offensive tackle; Sean Redman, running back; Brian Lowe, placekicker; and Vince Maxo, punter.

N.Y. GIANTS—Signed Bruce Lang, wide receiver.

SAN DIEGO—Dan Macek, center, retired.

SEATTLE—Signed Steve Alvord, defensive tackle; Teddy Garcia and Charlie Baumann, kickers; Paul McJulien, punter; Mark Bellini and Terry Obee, wide receivers; Derek Horton, Lavent Blaylock, and Dewayne Fletcher, defensive backs; Randy Gray, defensive lineman; Donald Miller, linebacker; and Blake Bednarz, guard.

TAMPA BAY—Signed Shelton Thompson, defensive end, and Carl Watts, safety.

ATLANTA—Signed Joe Meerton, tight end, and William Evers, cornerback.

PHOENIX—Signed Vernon Maxwell, Bob Davis, Lawrence Oliver and Eldonta Osborne, linebackers; Darren Flutie, Bill Hess, Amod Field and John Jackson, wide receivers; Mike Johnson, quarterback; DeWaine Jones, fullback; Dennis Smith, tight end; Win Lyle and Kevin Nicholl, placekickers; Preston Waters, cornerback; Mike Applewhite and Jeff Mathis, defensive linemen; John Brandom, guard; Mike Pfeifer, offensive tackle, and Lance Prouty, offensive lineman.

SAN FRANCISCO—Signed Reggie Bynum, wide receiver, and Kevin Lewis, cornerback. Released Matthew Fitts, offensive lineman; Tom Flesher, defensive end, and Garry James, running back.

SEATTLE—Signed Todd Oberdorf and Michael Lindsey, tackles; Felton Porquet, fullback; Alvin Lee, wide receiver; Xavier Jordan and Willie Walker, linebackers; Jonathan Watts, safety; and Bobby Garcia, guard.

HOCKEY
National Hockey League

WASHINGTON—Called up Mark Ferner and Bill Houlder, defensemen; Jim Hrivnak, goalie; Tyler Larter, Steve Maltais and Kent Paynter, wings, and Steve Seftel and Alfie Turcotte, centers, from Baltimore, American Hockey League.

SKIING

U.S. SKI TEAM—Appointed Fritz Vallant head slalom and giant slalom coach for women's A team; appointed Thor Kallerud head slalom and GS coach for men's B team.

COLLEGE

ARMY—Named Tom Miller men's basketball coach.

COLUMBIA—Named Jack Rohan men's basketball coach; he resigned as golf coach.

GUILFORD COLLEGE—Jerry Cornwell, women's basketball coach, resigned.

DARTMOUTH—Jeff Kosak, hockey coach, resigned.

OKLAHOMA STATE—Myron Roderick, athletic director, resigned, effective June 30, to become president of the National Wrestling Hall of Fame.

OREGON STATE—Named Dutch Baughman athletic director.

CYCLING

Tour of Spain

Results Monday from the 118-mile seventh leg:

1. Benny van Brabant, Belgium, 4 hours, 29 minutes, 19 seconds; 2. Malcolm Elliott, GB; 3. Ettore Pastorelli, Ital; 4. Djamolidin Abdushaparov, USSR; 5. Laurent Jalabert, France, all same time

Results Tuesday from the 128-mile eighth leg:

1. Atle Pedersen, Norway, 4 hours, 59 minutes 6 seconds; 2. Mario Scirea, Italy; 3. Mariano Sanchez, Spain; 4. Laurent Jalabert, France; 5. Javier Luquin, Spain, all same time.

Overall Standings

1. Julian Gorospe, Spain, 33 hours, 49 minutes, 45 seconds; 2. Marco Giovannetti, Italy, 25 seconds behind; 3. Viktor Klimov, USSR, 45 secs; 4. Julio Cesar Cadena, Colombia 56 secs; 5. Ivan Ivanov, USSR, 1:56

GOLF

Scores and prize money Sunday of the $1 million USF&G Golf Classic, played on the 7,116-yard, par-72 English Turn Golf & Country Club course:

David Frost, $180,000	71-70-66-69—276
Greg Norman, $108,000	73-68-71-65—277
Russ Cochran, $68,000	72-69-71-67—279
Brian Tennyson, $48,000	69-70-69-75—283
Jay Delsing, $40,000	73-69-73-69—284
Tim Simpson, $36,000	73-69-71-72—285
Hal Sutton, $29,100	74-69-74-69—286
Brad Bryant, $29,100	70-73-73-70—286
David Edwards, $29,100	71-71-72-72—286
Mike Smith, $29,100	73-72-69-72—286
Tommy Moore, $29,100	73-71-69-73—286

WORLDWIDE ENTERTAINMENT

OBSERVER

Seven Innings of Beer

By Russell Baker

NEW YORK — We were in a sea of beer called Memorial Stadium. That's in Baltimore. I'd told Mike we would see the Baltimore Orioles play the Oakland Athletics. He was surly about the sea of beer. "You said we'd see the O's play the A's," he said, "but all I'm seeing is beer."

He sounded like an old song about some people who joined the navy to see the world and — what did they see? — nothing but sea.

"You can always see a bunch of jocks play baseball," I said, "but how often can you see a sea of beer?"

"Every time you come to see the O's play baseball, I guess," said Mike.

Suddenly the roar of beer barkers was drowned by an even mightier roar. Something must be happening on the other side of the wall of beer.

□

We gazed into the night sky just in time to see a baseball soar over a distant wall. I clapped Mike's back, happily shouting, "Home run!"

"Aren't we rooting for the O's?" asked Mike. Of course. "Then why are you cheering? That home run was hit by one of the A's."

"How can you tell?"

"The curtain of beer salesmen between us and the scoreboard just parted momentarily," said Mike, "and the scoreboard says the A's are at bat. That means the O's must be in the field, and if the O's are in the field they can't be hitting home runs, can they?"

"Bud! Bud! Budweiser right here!" shouted a beer pusher.

"Miller Lite. Miller Lite, Miller Lite beer!" screamed a competitor.

I told Mike there were probably several seats where you could not only get a fairly good view of the game, but could even tell which team was at bat. Our otherwise terrific box seats just happened to be on the aisle, I pointed out.

"Mike, think of this aisle as a great Mississippi of beer, indifferent to those who plant 'taters and cotton —"

"Indifferent to those who want to see baseball, too," said Mike.

"Them that wants to see baseball is soon forgotten," I said.

□

"Watch out!" shrieked Mike as a Bud man collided with a Heineken salesman, threatening to bathe us in the gallons they were rushing to market. Showing incredible balancing skills, they spilled not a drop, and Ole Man Beer just kept rollin' along to the sea.

"The beer-balancing skills of these guys is really astounding," I told Mike.

"I'd rather see Jose Canseco bat," said Mike.

"Mike, Mike, when will you ever learn to keep your eye on the doughnut instead of on the hole? If the wall of beer salesmen blocks your view of Canseco, is it a tragedy?

"Look at the fantastic balancing work of these unsung beer pushers. Aren't some of them just as artistic in their own line of work as Canseco is in his?"

"To me," said Mike, "they're just the Beerlin wall."

After what seemed like a long time, we noticed a powerful tide struggling to flow back up the aisle. These were the earlier customers of the beer salesmen. Now they were moving upstream against the flow of beer sellers, so that impenetrable gridlocked masses blocked all vision.

□

"Do you think the game is still going on?" Mike asked.

"Of course," I said.

"How can you tell?"

"Because they're still selling beer," I said. "They announced that they'll keep selling beer through the seventh inning."

"That means all these people going up the aisle will have to get through the eighth and ninth innings being low on beer?"

Low on beer, but not much else. In those moments when the beer flow was interrupted, the aisle filled with people selling soft drinks and cotton candy. At rare intervals there was even a man selling hot dogs and another selling peanuts. No Cracker Jacks, though. I wondered if the hot-dog and peanut salesmen might be time travelers doomed to peddle their antique ballpark gut-stuffers forever in this sea of beer.

In the eighth inning, beer sales stopped as promised, the aisle cleared and we could see. "Baseball!" I cried. "Baseball at last!"

But what was this? The score 7-1 already? Worse, it was the A's who had the 7. The game had been settled while we were blinded by beer.

New York Times Service

The Jesuits at 450: Still on Cutting Edge

By Barry James

International Herald Tribune

ROME — The Society of Jesus — a sword, it was once said, whose handle is at Rome and whose point is everywhere — celebrates its 450th anniversary this year, still seeking to be at the cutting edge of the Roman Catholic Church.

The Jesuits historically have been accused of being worldly, wily and too much involved in politics. The accusation is still heard today, but it is difficult to say what this means. For example, were the six Jesuits murdered in San Salvador last November involved in politics? Are the Jesuits spearheading the religious resurgence in Eastern Europe political? Is the staunchly conservative Jesuit who runs a multimillion dollar publishing company in San Francisco a political man?

The answer may be yes in each case, but according to the Reverend John J. O'Callaghan, the assistant general, "you cannot live in the world without being political. To be human is to be political."

In Rome, the Jesuits' great Baroque mother church of the Gesù stands between the headquarters of the Communist Party and that of the Christian Democrats. But the order tends to be on every side of a political argument, from conservative professors of canon law at the Gregorian university here to young liberation theologians in the slums of Latin America.

"What we need to avoid is party politics, and that is where we are very careful," O'Callaghan said. "It means taking sides and becoming agents of division, and that is not our job."

Perhaps it is more accurate, Jesuits say, to talk not of politics but of involvement and activism. The founder of the order, an old soldier called Ignatius of Loyola, welcomed controversy and struggle. He prayed that the Jesuits might never "for long remain unharrassed by the enmity of the world."

The Jesuits are the pope's action men. As missionaries, teachers, scientists and proselytizers, they have indubitably been one of the great shaping forces of history.

Ignatius gathered together what Balzac described as "a union of seven men animated by a noble purpose" in Paris in the 1530s with the aim of making a pilgrimage to Jerusalem.

War between the Venetians and the Turkish empire prevented their making the journey and instead Pope Paul II commissioned them as a religious order in 1540 "to serve as an army for God" under his special command. Senior, or professed, Jesuits still take a special vow of loyalty to the pope, which Ignatius called "the cause and principal foundation" of the society.

Ignatius, who was born in 1491, was a contemporary of Martin Luther, and turning back the tide of Protestantism in Germany was the society's first major assignment. In the traditional way of settling religious arguments at the time, many said that burning a few heretics was the best way of dealing with the Lutherans.

But a young Jesuit called Peter Canisius, only in his 20s at the time of the counter-reform Council of Trent, reasoned that the Germans could only be won back for the Catholic Church through debate and education. He then proceeded to set up the first of a series of schools and universities.

Pope Clement XIV announces suppression of the Jesuits in 1773.

As a compromise to end the wars of religion, the Jesuits argued that populations should adopt the faith of their rulers, a solution that helped define the borders and the character of modern Europe. The Jesuits turned their attention to converting the rulers, but some Catholics accused them of being secret Protestants.

Canisius was part of an extraordinary galaxy of talent in the first 100 years of the order — people like the widely traveled Francis Xavier, who planted Christianity in Japan and widely elsewhere in Asia; Robert de Nobili, who sought to convert the Brahmins of India by adopting the best of their philosophy; Matteo Ricci, who won the trust of the Chinese mandarins; and José de Anchieta, a poet, dramatist and medical doctor who lived alone among the Indians of Brazil.

Far ahead of their time, the early Jesuits shared Canisius's view that people had to be won over to Catholicism with rational argument rather than with the sword and the bonfires of the Inquisition. Some of them adopted the customs and costumes of the people among whom they lived, provoking the criticism of more conservative religious orders who accused them of being Confucians in cassocks.

The Jesuits were the first to provide systematic education to laymen. They were leaders in theology, philosophy and apologetics. They were learned historians, astronomers and anthropologists. They introduced advanced methods of agriculture. They took maps, globes and astronomical instruments to China and were the first Westerners to explore and map that country.

Despite such virtues, the Jesuits frequently aroused the fear, jealousy and enmity of opponents who saw them as being too powerful, too rich and, above all, too clever.

Thanks in part to Pascal's attack on them in the "Lettres Provinciales," they acquired a reputation for casuistry, for believing that the end justified the means, and for preaching a lax morality.

The powerful Jansenists in France were hostile to them. The society was accused of setting up dictatorships in the missions of Latin America — although Robert B. Cunninghame Graham's "Vanished Arcadia" probably more accurately depicts the way the fathers protected the Indians against rapacious colonists than the accusations of exploitation made at the time.

Because they taught the rich and the powerful, the Jesuits were seen as sinister black eminences behind many a throne. Yet they were on the pope's side in the endless struggle between religious and civil authority, and finally, too, the monarchs turned against them.

In 1773 a weak pope, Clement XIV, suppressed the Society of Jesus under pressure from European rulers, agreeing with them that the Jesuits were "troublesome and turbulent subjects."

They were outlawed for nearly 40 years, but Frederick the Great of Prussia admired them for their learning and intelligence and invited them to minister to the Catholic population he had acquired in the annexation of Silesia.

Catherine the Great of Russia refused to banish the society, and the Jesuits set up their headquarters at St. Petersburg throughout the period of their suppression in the Catholic countries.

They have retained a close affinity with Russia and its Byzantine liturgy. Many Jesuits train at the Pontifical Russian College in Rome where they are prepared for possible missions in the East — like the Spanish Jesuit who taught Byzantine liturgy to Russian Orthodox seminarians in Leningrad.

O'Callaghan said the world's 24,400 Jesuits — about 12,000 fewer than 20 years ago — have been invited to celebrate their anniversary, and the 500th anniversary of Ignatius's birth next year, not by boasting about the past but by thinking about where they should be going in future.

"We need to read the signs of the times to see where it is that we need to deploy our forces, especially as our forces get slimmer," he said.

Schooling has always been a Jesuit speciality, especially the kind of authoritarian and humanistic education for the sons of the bourgeoisie that James Joyce described in "A Portrait of the Artist as a Young Man." O'Callaghan said schools will continue to be a priority, "but it is becoming more and more clear to us that our education has to be for people who might not otherwise get an education."

The Jesuits have taught generations to think and reason, even if that reasoning has later been turned against them. Voltaire was one of their more famous pupils. No admirer of the church, he nevertheless came to the Jesuits' defense when they were under attack.

"What did I see during the seven years that I lived in the Jesuits' college?" he wrote to Jean le Rond d'Alembert in 1746. "The most laborious and frugal manner of life; every hour of which was spent in the care of us boys and in the exercises of their austere profession. For that I call to witness thousands of men who were brought up as I was."

PEOPLE

A Kennedy Son Fails N.Y. Bar Test Again

John F. Kennedy Jr., an assistant district attorney in Manhattan for the past nine months, has failed the New York state bar examination a second time. The 29-year-old son of the late president will get one more chance to pass the two-day test. If he fails, he will be asked to resign from his $30,000-a-year post. Kennedy, a graduate of the New York University Law School, first took the bar exam last July with 64 other new members of District Attorney Robert Morgenthau's staff. Of the 65, Kennedy was one of seven who flunked.

□

Fernando Collor de Mello's mother, **Leda Collor**, has pleaded in a magazine article to her son, the president of Brazil, to quit risky weekend adventures such as hang-gliding and piloting a jet fighter. Collor, 40, who has been compared to the movie adventurer Indiana Jones by **President George Bush**, has a good nose for a photo opportunity — and he has created several since taking office March 15. On April 21, he briefly took the controls of a jet fighter. Leda Collor wrote in the magazine Vega of São Paulo: "The challenges we face are a lot larger than his weekend leisure."

□

Joseph Papp, director of the New York Shakespeare Festival, said he had received pledges for gifts totaling more than $60,000 following his rejection of a $50,000 grant from the National Endowment for the Arts because he refused to accept the federal agency's restrictions on obscenity.

□

The Soviet ballerina **Natalia Makarova** and her husband have their 18th-century violins back, including the Stradivarius that was taken in a burglary at their San Francisco house. The police on Sunday evening arrested **Robert Fisher**, 27, of San Francisco. He was scheduled for arraignment. The recovered Stradivarius was worth more than $1 million. The other violin, a Guarnerius, was valued at about $1 million, a police spokesman said. The violins, jewelry and a pair of Chinese enameled statuettes were among items stolen from the home of Makarova and her husband, **Edward Karkar**. Makarova, 49, recently retired from the American Ballet Theatre.

PERSONALS

THANK YOU SACRED HEART and sisters. Rosy.

ANNOUNCEMENTS

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ANNOUNCEMENTS

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